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PARIS, WEDNESDAY, OCTOBER 26, 1988

ESTABLISHED 1887

The Party and the Balts: Allies, for Now

By Philip Taubman... MOSCOW — A sense of euphoria has swept through the Soviet Baltic republics...

NEWS ANALYSIS... felt that if one nationality group was given its way, others would soon pressure for change.

two forces seem destined to collide, possibly in violence. And if that happens, it almost certainly will mean defeat for the aspiration of independence that lies at the core of the grass-roots organizations.



Philippine soldiers rescuing a family trapped on the roof of its Manila home by floods on Tuesday.

Ferryboat With 500 Is Sunk

Philippines Vessel Lashed by Storm Sweeping Islands... Manila — An interisland ferry carrying an estimated 500 persons sank Monday during a typhoon...

As Glasnost Goes on Maneuvers, Doubts Persist

By Bernard E. Trainor... WITTSTOCK, East Germany — Senior Soviet military officers are trying to live up to President Mikhail S. Gorbachev's policy of greater openness...

latest being used by Soviet forces. Officers also said some of the air and ground tactics appeared unrealistic and more for show than as an example of Soviet tactics.

Under an agreement known as the Stockholm Document, signed in 1986, 35 nations, including the United States and the Soviet Union, last year began allowing signatory nations to observe each other's maneuvers.

Kiosk

Iran and Iraq Set New Talks

UNITED NATIONS, New York (Reuters) — Iran and Iraq will resume their peace talks in Geneva on Monday...

22 Die in Peru Crash

LIMA (Reuters) — Twenty-two persons died Tuesday and 17 were seriously injured when a Fokker F-28 of Aeroperu airlines with 69 persons aboard crashed in the Andes...

U.S. to Unveil B-2

WASHINGTON (Reuters) — The B-2 Stealth bomber, designed to strike inside the Soviet Union while avoiding radar detection, will be unveiled in California on Nov. 22...



KOHL MEETS SAKHAROV — Helmut Kohl, left, the West German leader, and his wife, Hannelore, meeting with Andrei D. Sakharov on rights issues...

Bush Lead Strong in Polls

WASHINGTON — Several new polls indicate that Vice President George Bush continues to hold a strong lead over Governor Michael S. Dukakis...

2 Candidates Strive to Shed Elitist Image

By E.J. Dionne Jr. — What is striking about the 1988 campaign so far is that Mr. Bush has been far more successful than Mr. Dukakis in painting himself as the anti-elitist candidate...

What is striking about the 1988 campaign so far is that Mr. Bush has been far more successful than Mr. Dukakis in painting himself as the anti-elitist candidate...

in his "liberal" views, said Geoff Garin, a Democratic poll taker. Mr. Bush has simply given voters so many other things to think about...

Debt of U.S. Overstated, Study Finds

WASHINGTON — The United States is not quite the international pauper that it seems, according to a study prepared for the Pentagon. The study takes the Commerce Department to task for undervaluing American holdings, including real estate, in scores of countries...



KOHL MEETS SAKHAROV — Helmut Kohl, left, the West German leader, and his wife, Hannelore, meeting with Andrei D. Sakharov on rights issues...

Israel Is Worried Syria Will Get Soviet Bomber

WASHINGTON — Israel has expressed deep concern to the United States over reports that the Soviet Union may soon provide Syria with one of its most sophisticated warplanes, the Sukhoi-24 attack bomber...

President Chadli Bendjedid of Algeria ruled out the establishment of opposition political parties.

General News... Plans for talks between the Polish government and Solidarity appeared near a breakthrough.

Business/Finance... The British government ordered an antitrust investigation into the bid for Consolidated Gold Fields.

Dow Jones... The Dollar 1,798.50 DM 1,792.00 Pound 1,752.00 Yen 128,775.00 FF 6,115.00

Stockholm Decides the Chicken (and Its Rights) Come Before the Egg

By Steve Lohr... STOCKHOLM — The Swedish welfare state, long renowned for its generosity and scope, is extending its reach to a new frontier: the barnyard. In the last few months, Sweden has begun putting in place a rights program for farm animals...

In the story, God visits Earth after a long absence and is deeply disappointed by what He sees. Mrs. Lindgren's stories used childlike observation to deliver a satirical sting. She was undaunted by complaints from farmers' groups and food companies...

The previous time she took up her pen for a cause was shortly before the Swedish general election in 1976. At the time, Sweden's personal taxes had the effect of confiscating the income of the nation's most successful entrepreneurs...

Tobacco Industry Fights 2 States' Ballot Measures

By David S. Wilson
New York Times Service

Two anti-smoking measures on the state voting ballots in California and Oregon have provoked a furious counterattack that reflects the tobacco industry's deepening concern about spreading anti-tobacco sentiment.

Opponents are spending \$12 million on advertising campaigns against the measures, which will be on the ballot in the Nov. 8 elections.

The stakes are so high, both sides agree, because success could be expected to spawn similar proposals elsewhere and send a strong signal that smoking is becoming officially taboo.

"These are cutting-edge states,"

said Jeff Raimundo, a public relations executive who is leading the \$10 million tobacco industry's campaign against California's Proposition 99, which would raise the tax on a pack of cigarettes from 10 cents to 35 cents.

In Oregon, a ballot initiative known as Measure 6 would ban smoking in all indoor public places except bars, tobacco shops and some hotel rooms.

Health officials say the proposal would be the most restrictive anti-smoking measure approved by any state.

Walker Merryman, vice president of the Tobacco Institute, a trade association for cigarette manufacturers, calls the measure "too Orwellian to contemplate, they've gone way too far."

Spokesmen for the tobacco industry said the 25-cent increase provided by the California measure was the biggest cigarette tax increase ever proposed, and predicted that if successful, it would cut cigarette sales by 13 percent in a state that has more smokers than any other.

The battle has grown fierce, with television commercials produced by Roger Ailes, Vice President George Bush's advertising specialist, suggesting that higher cigarette taxes would increase tobacco smuggling by gangs.

Supporters of the tax increase, many of whom have ties to health groups, have denounced the commercials as deceptive, and a number of television and radio stations have broadcast them with disclaim-

ers or have refused to run them at all.

Supporters of the Oregon measure say the state's precedent-setting 1983 policy of requiring designated smoking areas in workplaces has failed to protect nonsmokers. They say that forcing tobacco users to abstain or go outdoors to smoke will reduce tensions between smokers and nonsmokers.

In both states, polls show that the tobacco industry has succeeded in reducing support for the measures by heavily outspending backers on advertising campaigns that have become as much of an issue as the measures themselves.

Attention has centered on a dramatic television commercial being shown in California in which a man identifying himself as an undercov-

er police officer says raising cigarette taxes "will create major crime" by increasing tobacco smuggling by gangs.

The spot suggests a van load of smuggled cigarette cartons could net gang members over \$13,000 in profits.

"That money could buy 32 pounds of marijuana, enough crack for 1,280 kids, or 185 handguns," says the spokesman, who Mr. Raimundo said is a Los Angeles police desk sergeant who sometimes participates in stakeouts.

John Van de Kamp, the state attorney general, quickly branded the commercials "a scare tactic of the worst and baldest kind."

He said that agents of the state Board of Equalization, not the police, deal with tax evaders and that authorities from other high-tax states indicate no serious trouble with cigarette smuggling.

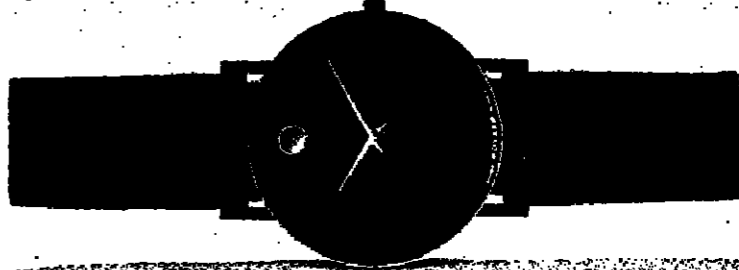
The Coalition for a Healthy California has raised \$1.1 million to promote Proposition 99.

One of its two television commercials features a smoker who died shortly after filming the spot.

The measure has received heavy support from the medical community in California.

Of the proposed tax receipts, 35 percent would go to hospitals and 10 percent to doctors for their treatment of uninsured patients.

Twenty percent of the Proposition 99 tax money would go to educating young people about the dangers of smoking and substance abuse.



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Reaching More Than a Third of a Million Readers in 164 Countries Around the World.

VOTE: Dukakis and Bush Are Trying to Overcome Their Elitist Image

(Continued from Page 1)

more, not Harvard, as an undergraduate. The Massachusetts governor later was graduated from Harvard Law School, however, and taught at the university's John F. Kennedy School of Government.

Mr. Dukakis's problem is not unusual, said Fred Siegel, a historian at the Cooper Union for the Advancement of Science and Art in New York City. Business elites associated with the Republican Party, he said, have often been more successful in appearing anti-elitist than the academic elites associated with the Democratic Party.

"The business elite at least has to say to the masses," said Mr. Siegel, himself a Democrat who is writing a book on the decline of liberalism. "The academic elite often thinks that it's a mark of honor not to have to meet the masses on equal terms."

This summer, Democrats seemed poised to take advantage of their once traditional role as the defenders of the shot-and-beer set. After the Democratic National Convention in July, The New York

Times-CBS News Poll found that by a 2-to-1 ratio, voters picked the Democrats over the Republicans as the party most likely to protect the interests of the middle class.

But Kevin Phillips, a Republican analyst and a long-time student of anti-elitist politics, said this popular sense was created less by Mr. Dukakis than by such other Democratic candidates as the Reverend Jesse L. Jackson and Representative Richard A. Gephardt of Missouri, who both ran strongly anti-elitist campaigns.

"As soon as Dukakis got to be the nominee, that set of issues got shut up like a clam," said Mr. Phillips, referring to Mr. Jackson's attacks on large corporations and Mr. Gephardt's call for protecting American workers against what he said was unfair foreign competition.

Voters still pick Mr. Dukakis over Mr. Bush as the candidate who "would do more to help the middle class," but by a smaller margin than the Democratic Party scored on the same question earlier in the year.

Mr. Bush turned this around with a conservative populism of his own. But the vice president's brand of campaigning was criticized on Sunday by Mr. Jackson and other Democrats. They accused the Republicans of running a subliminally racist campaign, especially through their focus on the crime issue. Mr. Bush vigorously denied this on Monday.

William Schneider, a Washington-based voting analyst, noted that there has been a long history of conservative populism veering toward racism.

As the campaign enters its final

two weeks, it is Mr. Dukakis who is reaching for an anti-elitist message, with a focus on the economic uncertainties of the middle class. A number of his recent speeches have been written by Robert Shrum, who helped craft Mr. Gephardt's anti-elitist oratory in the Democratic primary campaign.

Either way, some form of opposition to elites will triumph in the 1988 campaign. "I guess you have to see the humor in it," said Richard Vigniere, the conservative direct mail specialist who regularly attacks the elites. "Here you have a Harvard guy and a Yale guy, and they both want to be populists."

THE HUSTINGS

Lawyers' Group Criticizes Bush

WASHINGTON (UPI) — Lawyers who led congressional investigations into the Watergate and Iran-contra affairs criticized Vice President George Bush on Tuesday for not answering questions they posed about changes aimed at preventing such scandals.

Sam Dash, chief counsel to the 1974 Senate Watergate Committee, said the Republican presidential candidate does not deserve to be in the White House if he will not state his stand on changes to curb abuses of government power.

Michael S. Dukakis, the Democratic presidential nominee, responded to the questions and supported extension of the independent prosecutor law, strong oversight of intelligence agencies and limits on National Security Council activities.

The questions were put to Mr. Bush and Mr. Dukakis in a survey prepared by the private Special Committee for Iran-Contra and Watergate Reform — a group of lawyers who worked on those two investigations.

A spokesman for the group said that despite assurances from the Bush campaign that the survey would be answered, no response was received.

Later, a Bush campaign spokesman, Mark Goodin, said a decision probably was made not to answer the questions for fear they would be used for partisan purposes.

The Senate Watergate Committee investigated the 1972 break-in of the Democratic Party offices at the Watergate complex, the subsequent cover-up and the involvement of President Richard Nixon. The House and Senate Iran-contra committees spent 1987 investigating the U.S. arms sales to Iran and the diversion of sales profits to the Nicaraguan contra rebels.

Where They Are On Energy Policy

WASHINGTON (AP) — Michael S. Dukakis and George Bush both oppose oil import fees to help the depressed U.S. oil industry, one of the few areas of energy policy on which the presidential candidates agree.

- Among the differences:
 - Mr. Bush favors exploration of the Arctic National Wildlife Refuge in Alaska, a good drilling prospect. Mr. Dukakis opposes it.
 - Mr. Dukakis would keep motor vehicle mileage standards but opposes standards that "directly cause a major penalty to the U.S. economy." Mr. Bush would drop the standards.
- Some similarities:
 - Both candidates favor tax incentives to encourage domestic oil production and oppose new tariffs, sometimes called "import fees."
 - Both oppose other energy tax-

es, such as higher gasoline taxes or a levy on the carbon content of fuels.

• Both expect and favor major growth in natural gas as an energy source.

Some shadings:

- Mr. Bush believes in nuclear power but recognizes "it does have a problem of public confidence and safety." Mr. Dukakis believes "we cannot even begin to consider promoting nuclear power as part of our energy mix" without a new generation of safer reactors, a solution to the waste disposal problem and stronger safety oversight.

Nebraska Senator Is the Underdog

OMAHA, Nebraska (NYT) — As the incumbent, Senator David K. Karnes of Nebraska ought to have some important advantages in the contest to retain his seat.

As a Republican, he ought to have even more, since Republicans outnumber Democrats in the state.

Yet, as the race draws toward its end, it is Mr. Karnes who remains the underdog, his campaign straining in pursuit of his Democratic rival, former Governor Bob Kerrey.

Mr. Karnes was a little-known Omaha businessman 20 months ago when he was appointed to the Senate by Governor Kay A. Orr to fill a vacancy left by the death of Edward Zorinsky, a Democrat.

In the only debate between the two men, Mr. Karnes made the kind of political gaffe that even his own staff described as "a doozie," declaring that Nebraska had "too many farmers."

Bentsen's Office Target Of Homeless Activists

WASHINGTON (AP) — About two-dozen demonstrators held a sit-in Tuesday in the office of Senator Lloyd Bentsen, the Democratic vice presidential candidate, as homeless activists pushed demands for \$25 billion in federal aid.

Bentsen aides declined to call police to remove the peaceable demonstrators, most of whom appeared to be in their midteens.

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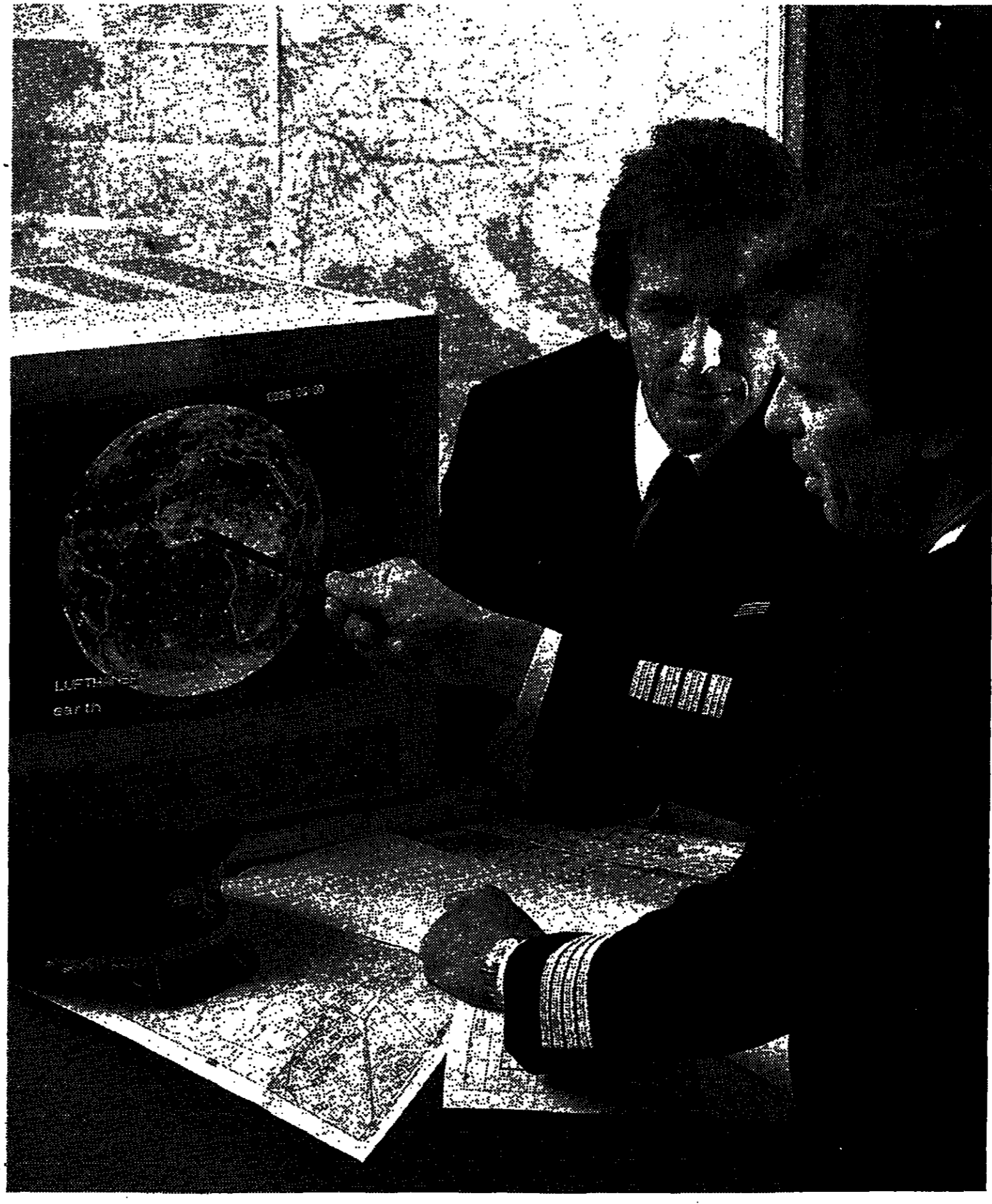
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Lufthansa

INTERNATIONAL Herald Tribune

A Loan With a Message

Large loans from one government to another always carry political messages. When the United States announced last week that it would lend up to \$3.5 billion to Mexico, it intended first of all to signal support for the great changes under way in the Mexican economy.

Perhaps one unstated purpose of the U.S. loan is to warn the OPEC strategists that in the price war now under way, Mexico is not without friends.

Change in the Baltic

A year ago, a Lithuanian, Latvian or Estonian citizen who displayed his national flag might have earned 10 months in Siberia. The official myth persisted that the Baltic peoples had outgrown bourgeois nationalism and had become contented citizens of Soviet republics.

ject to instant reversal. Thus on the one hand the Soviet Foreign Ministry encourages foreign correspondents to attend founding conventions of Baltic popular movements, but on the other hand coverage in the Soviet press is cautious and elliptical.

Pawns in Nicaragua

A terrible hurricane swept through Central America last weekend, hitting Nicaragua hardest and prompting the thought in many quarters that this was literally a heaven-sent opportunity to put politics aside and allow humanitarian instincts to guide relief.

plan. But a ban can fall on disaster relief, too. "It is not possible to receive money from an enemy power, even if it is to fund a costume party," one Nicaraguan explained.

Other Comment

Gorbachev Will Need Help

It would, of course, be imbecile for the West to rain trade sanctions and the rest upon the Soviet Union, while the refurbishment of the Russian military machine proceeded apace.

Arms for a Free Cambodia

Those who have supported the non-Communist resistance in Cambodia all these years must realize that in addition to internationally supervised free elections, the way to prevent a return of the Khmer Rouge is to give the NCR weapons and supplies to defend itself.

OPINION The Campaigners Are Ignoring a Changing World

By David Ignatius and Michael Getler This is the first of two articles.

WASHINGTON — When George Bush or Michael Dukakis takes office next January, he will have the greatest opportunity of any American president since Harry Truman to redraw the world's diplomatic map.

may wake up one morning to a world in which the guns of war have been silenced. But if military conflict is receding, economic warfare seems to be on the rise.

'What if the threat isn't present any longer? What's the premise of U.S. alliances, and what's the role for U.S. power?'

ough and unyielding a competitor as Japan. Some analysts worry that by the end of the century the free world may be divided into three great trading blocs — Europe, the Americas and a Japan-dominated Asia — battling for the same limited markets.

Unfortunately, neither George Bush nor Michael Dukakis has addressed America's future foreign policy choices in any detailed way.

bacher's "new thinking" and remained wary of declaring the Cold War over. Indeed, he gave a speech recently in Fulton, Missouri, that invoked Winston Churchill's "iron curtain" speech of 42 years ago.

The Soviet Union, which America has spent nearly \$3 trillion in the 1980s preparing to confront militarily, is talking as if the Cold War were over.

"When you have a hostile Soviet Union, it's clear what is the basis of U.S. alliances," says Graham Fuller, a former senior official at the CIA.

in the saddle. No Communist state has yet been able to get over the wall that stands in the way of true reform.

Western Europe is uniting. If common market integration is completed as planned in 1992, the European nations will form a powerful political and economic bloc that can exert much more independence from the United States.

Will a united Europe gradually seek a middle ground — with Mr. Gorbachev continuing his successful courtship of European public opinion?

The biggest question mark for the next president is whether Mr. Gorbachev can stay

Third World Poverty: Help the People to Help Themselves

By Idress Jazairi

The writer is president of the International Fund for Agricultural Development.

ROME — As the World Bank begins the latest debt relief program for Third World governments, it is time for the international community to reassess the condition of people living under those governments.

industrialized countries promised to reduce by a third the debt owed by the poorest countries. Officials of the World Bank and the IMF recognized the importance of increasing North-South capital flows and encouraged "income-generating activities and investments in human resources, which reinforce the positive impact of growth on poverty reduction."

World Commission on Environment and Development, has identified deterioration of the environment and bleak prospects for development as today's gravest problems, next to the threat of nuclear war.

is to help people realize their potential as end users, not just as inputs to generate economic growth.

For too often, development organizations have approached poverty alleviation as a welfare problem or as an add-on to a broader strategy aimed at promoting growth.

and capital are irrelevant. The challenge is how best to direct these needed inputs to stimulate the creativity and initiative of the poor.

By starting with the principle of self-reliance and by drawing on existing local resources and capacities, external assistance can stimulate the creativity of the poor and thus serve as a catalyst for self-supporting and sustained development.

The World Is Full of Greedy Dictators

THE very powerful in the Third World are very rich; they have their own ways and their own license. The world is full of tin-pot dictators for whom greed and hedonism are an ideology.

Middle East: If Uninvited, the Syrian Will Invite Himself In

By John K. Cooley

LONDON — The leaders of four Arab entities — Egypt, Jordan, Iraq and the PLO — have been playing a hard game of power poker.

Iraq, President Hosni Mubarak of Egypt and Chairman Yasser Arafat of the Palestine Liberation Organization should all have been mindful of the absence of another major player: President Hafez Assad of Syria.

Yitzhak Shamir wins the Israeli elections, Mr. Assad will not be shaken in his determination to be included in any international peace conference.

inforced by U.S. emergency airlifts, rolled back the Assad offensive aimed at retaking the Golan Heights, while Egypt's forces stayed put in the Sinai.

regime is heavily backed by money and guns from Iraq. Syria's enemy now released from the eight-year attrition of its war with Iran.

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Managing Director: Asia: Madelon Glenn, 30 Gloucester Road, Hong Kong. Tel: 5-8610616. Telex: 61170

Managing Director: U.K.: Robin MacNichol, 63 Long Ave, London WC2. Tel: 836-4902. Telex: 263009

Gen. Mgr.: W. Germany: W. Laatzbach, Friedrichstr. 13, 6000 Frankfurt/M. Tel: (069) 726733. Telex: 416721

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Making Mice Can Belittle



OPINION

Making Much of the Polls Can Belittle the Election

By A. M. Rosenthal

NEW YORK — The best thing that could happen to American journalism might be for Michael Dukakis to win the election. The next day all of us who earn our livings in the print or electronic press would have to sit around clutching our heads and try to figure out where we went wrong. Polling techniques would be dissected statistically. And the press would also have to dissect something even more complicated and fundamental — its own judgments and values.

ON MY MIND

television networks say he will. The ethical and professional problems that confront American journalism may be peered over for a while, but they will be all the more important. Not very long ago, Americans were unhappy just because the results of an election were announced on television before the booths were closed. Now the most interesting part of this dreary campaign is that almost four weeks before Americans were to get a chance to vote, they were told it was all over.

One or two specialists, like Daniel Yankelovich, hollered hold on, there are a lot of undecideds and they need to make up their minds late — so at least wait until a few days before the election to announce the winner. But the press played the poll predictions bigger and earlier than in any other campaign.

Dukakis Better Rise Fast

THE latest Post-ABC weekly poll found that George Bush has made inroads with voters on a number of fronts. Nearly three out of five voters said they had a favorable impression of him. The race remains within reach for either man. About a third of each candidate's supporters only weakly support their choice, and one out of five acknowledges that they could change their minds. But those minds better start changing fast if Michael Dukakis is going to be competitive on Nov. 8.



'Send all the dresses back? I can't keep just ONE?'

LETTERS TO THE EDITOR

The Republicans Condemn Carter and Enlist Brzezinski

William Curran's remarks are humbug. ("Reasons to Prefer Bush," Letters, Oct. 20.) On three occasions in London, Republicans have made the debating point that their candidate is running against the foreign policy of the Jimmy Carter years. Now they trot out Zbigniew Brzezinski, one of the architects of Mr. Carter's foreign policy, as a Democratic deserter. This is a bit like Old Father William standing on his head once he's discovered he has no brain.

On economic and fiscal policy alike, how does Mr. Curran know what Michael Dukakis would or would not veto as president? Is he privy to information the rest of us don't have?

On the bill to terminate the overseas tax exclusion, Senator William Proxmire has been trying to get this one passed for years and has never succeeded. The Senate Finance Committee, chaired by Senator Lloyd Bentsen, refused to hold hearings on Mr. Proxmire's bill. This session of Congress ended on Oct. 21. Mr. Proxmire retires at the end of this year. The bill has no chance of passing; it is automatically finished.

Democrats overseas have worked for years for fair tax treatment, better citizenship laws, Social Security and Medicare benefits for Americans living abroad. Mr. Dukakis has pledged his support to us on these issues. Once again, our opponents are busy spreading disinformation.

SALLY MCNULTY, Chair, Democrats Abroad (UK), London. Neither Mr. Dukakis nor Mr. Bush has said what he would do to gain the

Quayle. "You're No Jack Kennedy." The problem is, he didn't go far enough: None of this year's candidates is.

JOAN LOYKOVITCH, Paris. An Australian in Tripoli

In a report from Tripoli, Jennifer Parmelee referred to a mock trial of President Reagan by a group "composed of leftists from Central and South America." ("In Libya's Discreet Hotel Kabir, Revolution Is the Inn Thing," Sept. 29.) As well as extreme leftists, those present included members of the extreme right, at least one of whom is an Australian associated with the Institute of Historical Review, a California-based body which denies the mass extermination of European Jewry by the Nazis. Patronage of this kind says a lot about the underlying anti-Jewish racial prejudice that motivates much of Libyan activity.

Anti-Immigrant Echoes

Half of a brief report ("Belgian Coalition Intact After Voting," Oct. 11) was devoted to the controversy surrounding a French-speaking mayor whose refusal to prove he could speak Dutch brought down the government. You overlooked the rise in Flanders of the ultraright racist "Vlaams Blok," which campaigns against immigrants. This recalls what my grandfather, who also came as an immigrant, could have read on the walls of Antwerp in the late 1930s. Later he was murdered with his wife in Auschwitz.

It Wouldn't Be Halloween If the Eyeholes Lined Up

By Dave Barry

Miami — I love Halloween. And not just because it gives us a chance to buy a new mailbox. No, what I love most is the fun of opening our front door and hearing a group of costumed youngsters happily shout the traditional Halloween greeting: "Nothing!" At least that's what traditionally happens. The youngsters just stand there,

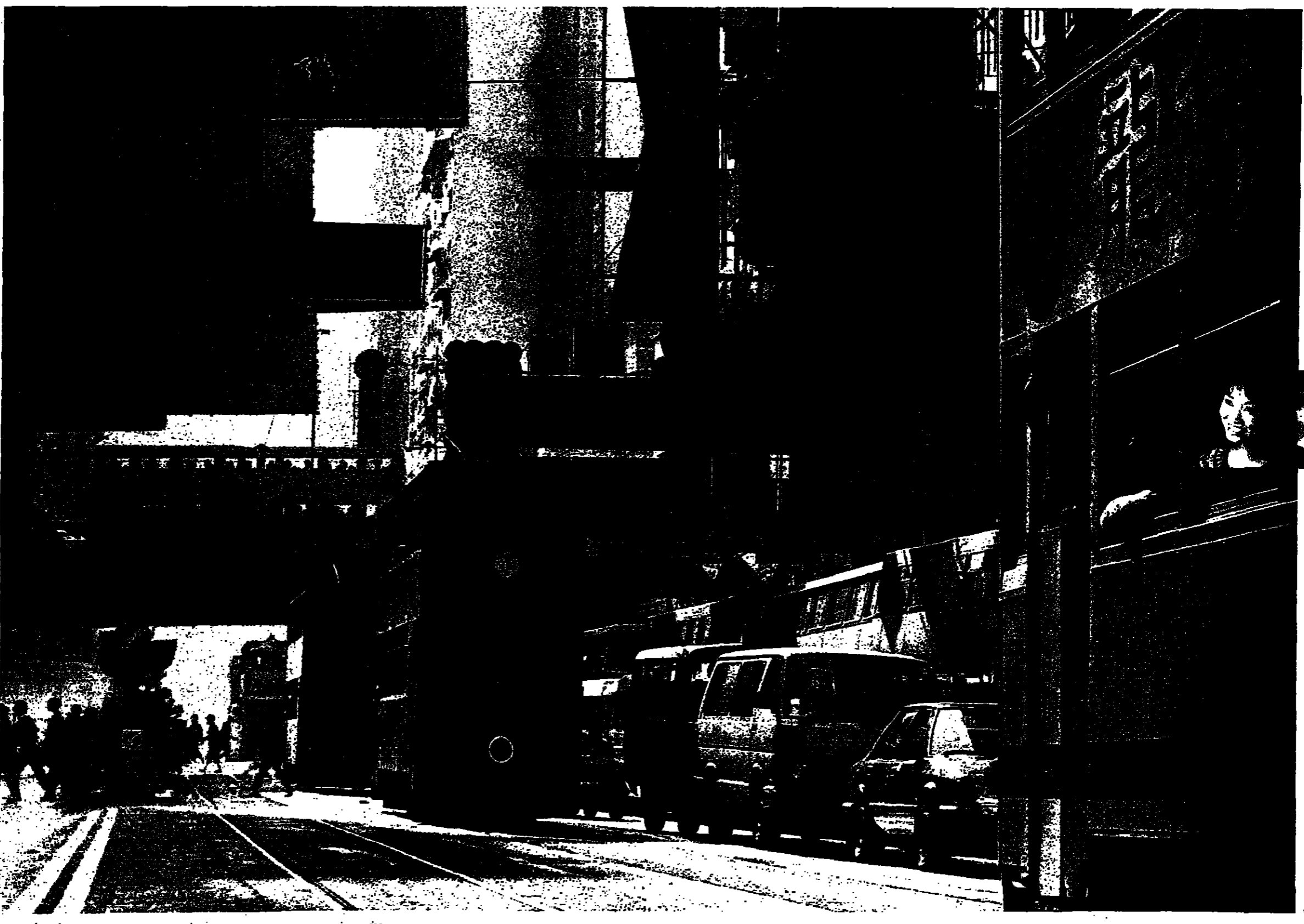
nonthreatening as to make Mr. Rogers sound like Darth Vader. "How about some NICE CANDY in its ORIGINAL PACKAGING that you can clearly see when I hold it up to the porch light here?" Alerted by the sound of my voice, the licensed characters start lurching blindly toward me, thrusting out truck-or-treat bags already containing enough chocolate to meet the nation's pimple needs well into the next century.

Of course, there is more to Halloween than massive carbohydrate overdoses. There is also the tradition of bitching about pumpkin prices, a tradition that my wife and I enjoy engaging in each year after paying as much as \$30 for a dense, inedible fruit so that some pumpkin rancher can put a new Jacuzzi in his Lezer jet. This is followed by the tradition of scooping the insides, or, technically, the "goop," out of the pumpkin, a chore that always falls to me because both my wife and son refuse to do it, and not without reason, what with the alarming increase in pumpkin-transmitted diseases. (Get the facts! Call the American Pumpkin Council! Don't mention my name!)

But I consider the risk of permanent disfigurement to be a small price to pay for the excitement that comes when I finally finish carving Mr. Jack O'Lantern and put him out on the front porch, there to provide hours of pleasure for the trick-or-treating youngsters except that (a) they can't see and (b) Mr. Jack O'Lantern immediately gets his face kicked into mush by older youngsters playing pranks. Pranks, defined as "activities which struck you as truly hilarious when you were a teen-ager but which now that you are a property owner make you wish you had a high-voltage fence," are another ancient Halloween tradition. The first Halloween prank ever, played by a group of Druid teen-agers, was Stonehenge ("HEY! You kids, GET THOSE ROCKS OFF MY LAWN!!").

I can't really complain about the pranks, because as a youth I played several thousand myself. In fact, I figure there must be a God of Frank Justice, who keeps track of everything we do when we're young and then uses Halloween to settle the score. ("O.K., that's his 14th mailbox. He has 57 to go.") Vastly enjoying this spectacle, I bet, are the ghosts of all my former victims. Assuming they can see through their eyeholes.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



SUMMER IN THE CITY, AND IT'S REALLY COOKING. JUST GETTING ACROSS TOWN IS A STRUGGLE. AT LEAST GETTING AWAY WILL BE A BREEZE. I CAN'T WAIT—SINGAPORE AIRLINES BUSINESS CLASS.

ing World... Help Themselves... Invite Himself... AND 50 YEARS... 1988: Hank...

ARTS / LEISURE

RSC Back in Epic Form

By Sheridan Morley
International Herald Tribune
LONDON — It is good to find the Royal Shakespeare Company back in form with "The Plantagenets," a nine-hour saga carved and sometimes hacked out of the three parts of "Henry VI" and "Richard III."

and energy and purpose back to an acting troupe that has for too long lacked all of that. What is alarming is the way it shows up the ongoing RSC weakness in character-acting and verse-speaking so that after the demise of David Waller early in the day we are left with no couriers or attendant lords of any weight or authority. We do however get Pan-

at the Hammersmith several seasons ago, this is concerned with police-state brutality. The National has given this arid blueprint a cast of immense talent.
Meanwhile on the open Olivier stage, the National's new director Richard Eyre has a revival of "Bartholomew Fair" that is a tribute to his talents as a crowd organizer but gives little indication of why he thought it worthwhile to dust off Ben Jonson's endlessly labored and unfunny account of a day at the fairground. True he has moved the pageant to a mid-Victorian setting, and encouraged John Wells to give a splendidly washish account of Adam Overdo. Generally however the cast seem as depressed as the audience by the overall tedium of proceedings that only manage to come to life as the fairground itself lights up for the curtain call.

THE LONDON STAGE

A Strong Bond...

Advertisement for Caran d'Ache pens, featuring an image of a fountain pen and the text: 'Giving a Caran d'Ache pen to your business associates shows your "savoir faire" — and much more. Its usefulness brings genuine enjoyment — a gift the receiver will appreciate.' Includes contact information for Caran d'Ache.

Lacroix Outshines the Stars of the Night

By Suzy Menkes
International Herald Tribune
PARIS — The importance of Christian Lacroix is now clear. Just about anything we see at the fashion shows can be traced back to the designer: the tidal wave of wide pants, colors spicy and tender, sweetheart necklines, fresh cotton fabrics used at night, India and the 1960s revisited.

PARIS FASHION

Luxe line shown Tuesday, Lacroix proved that he does it better, brighter and with more quirky charm than anyone else. The music alone — soapy soundtracks from TV shows like "I Love Lucy" — hit perfect pitch. The new show did not have the galloping creativity of the ready-to-wear show last Thursday — neither its soaring leaps nor confused stumbles. It was still a cracking good collection.

orange, lime — on a slither of a cowl-hooded swimsuit. Decoration, from raffia embroidered carnations to nuggets of gilded buttons, was also splattered on with an open hand and light heart. Everyone is talking about Lacroix's extraordinary (even maniac) productivity. Paris fashion should be proud and grateful to have this font of creativity to slake fashion's greedy thirst for the new. There was not much new at Ungaro, but with fans like his, who cares? The red rose Mariss Berenson wore on her shapely black and white check Ungaro jacket, said it all. "I just adore him," she enthused. "It's how I want to look. It's elegant, pretty, it's sexy — and men love it. I wanted it all."



Lacroix's bead embroidery on silk twill pants outfit, left, and Valentino's chiffon and lace dress.

There were also bloomers, fitted to the knee under the billowed jackets and splashed with chintzy flowers, cute in silk poplin, worn under a tapestry jacket. Ungaro has always mixed color and print, but he had the misfortune to show this season immediately after Lacroix. Ungaro used a blinding mix of polka dots in pink, green and yellow on draped dresses. Coin dots in pink and black looked snappier on a short dress with flaring skirt. The repeat story was the little peplum

jacket suits. They came out every whichway — with a flowered jacket over a shiny patent leather skirt that looked like molten chocolate, in an adorable reseed pattern, and in all the flowers fit to print. The show shone at night, not just with the models' gleaming pearlized coats, but when big theater coats with pretty low necklines came out over pants. A group of stunning draped jersey evening dresses in sunshine yellow, royal blue and subtler capucino, made a splendid (and very welcome) end to a long show.

Valentino didn't bother with the long skirt — and he was right, for his neat daytime silhouette looked sweet and fresh this season when lace collars peeped out from a suit neckline or a crunchy lace vest slipped under the jacket. Lace dyed into delicious pale colors was a pretty idea for blouses that were short-sleeved or fluted out into an airy mesh at the

Taking Rockabilly to the Punjab Plains

By Mike Zwerin
International Herald Tribune
PARIS — Bob Livingston nudged his cowboy hat, snuffed his jeans into his boots, hooked his guitar strap and came on stage in Madras, India. "I'm here to talk about country music," he said to the audience. "What country? That's a good question."

When he added the line "from sunny Bombay to the plains of the Punjab" to Woody Guthrie's "This Land Is Your Land," they started to yodel along. At the end he told them: "I love your culture. I'm not here to be an imperialist or dilute anything. I'd just like you to know something about my part of the world." Texas is written all over him. He was born in San Antonio and grew up in Lubbock, where Buddy Holly came from. "Everybody from Lubbock turned out to be either a dope dealer or a musician," he says. He was part of what has been called the "cosmic cowboy boom" in Austin before Willie Nelson moved there in the '70s. Livingston played guitar with Jerry Jeff Walker, who wrote "Mr. Bojangles" and "Up Against the Wall, Motherfucker." They "tore through the skies in private planes" for seven years. Then he went out with the Lost Gonzo Band, which he describes as "ragtag rodeo riffraff ripping it up from New York to L.A. and Alaska to the Virgin Islands."

The band's name was inspired by Hunter S. Thompson's gonzo journalism and lifestyle. Livingston tells his story with a degree of awareness that is too consistently Kerouacian to be accidental. Lessons have been learned from the madness, books have passed through these hands, plains poetry spoken here. "We played some serious, hard-core honky-tonks. In La Grange, Texas, people were shouting, 'Alright! The music's great. Throw the whiskey bottle at the guitar player.' Fortunately we were behind chicken wire. A lot of Port Arthur put on cockfights in the back room — there was losers' gumbo for the band after the gig."



Livingston: From the train "you'd swear you were in West Texas."

Advertisement for the International Herald Tribune featuring a large '50%' graphic and the text: 'Call Toll-Free and Save up to 50%'. It lists various countries and offers for subscribers.

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Table with columns: Country, Currency, Toll-Free Telephone Number, 12 months (+ \$2 free issue), One-Year Savings, 6 months (+ \$2 free issue), 3 months (+ \$1.33 free issue). Lists various countries like Australia, Belgium, Denmark, etc.

Subscription form for the International Herald Tribune, including fields for Name, Address, City/Code, Country, and payment options (check, credit card, etc.).

'Dining Out' directory listing various restaurants in Paris with details like 'CANINES', 'SANCERRE WINE TASTING', 'CHEZ LES ANGES', 'KARLOV', 'LIJDLMA PAVILLON RUSSIE', 'LE BISTROT D'ARMAND', 'DIAPASON', 'KERVANSARY', etc.

been offered marijuana in the fifth grade. And Livingston, as he describes himself, "this crazed war-horse from the road," trying to stay clean but, you know, not all that clean, was having problems dealing with it. "Daddy," he says, "let's go to India before it's too late. Let's just go." They rented the house and took one "for zip" in Kerala, in southern India, where they had some friends and where the musicians improvise on vienas and tamburas in time signatures like 7/4 and 16/8. "The British didn't infiltrate very much there and the Moguls never went that far south," says Livingston. "They kept their culture. Our house is near a river, the people have been beating their clothes on those rocks for 5,000 years. In the morning the sun comes up and the mist is rising and you don't hear any telephones or airplanes or radios. It's real pristine. Our boys play cricket and they have Indian friends. When we got there, Tucker heaved a visible sigh of relief. He could be a kid again for a while. Can you imagine a 14-year-old boy walking around looking for a tree to sit under and read Robert Louis Stevenson?" Livingston played rockabilly with a local rhythm section at the Indian Institute of Technology in New Delhi. After being "parlarded" by the Madras Rotary Club, he pulled out his mandolin, played an Irish jig, and sang "Don't Bury Me on the Lone Prairie." He told them that their landscape was not so far from what this song was about. "If you're on the midnight train and you wake up at 5:30 in the morning and look out the window, you'd swear you were in West Texas."

Large vertical advertisement for Panasonic products, including a section for 'Academ' with the text 'At Last, Academ Adds a Serious' and various product listings.

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WEDNESDAY, OCTOBER 26, 1988

MADISON AVENUE

At Last, Academe Studies Ads as a Serious Subject

By RANDALL ROTHENBERG

NEW YORK — The year is 1931. Millions of Americans are without work. President Hoover is powerless to stem the darkening Depression — and the country is suddenly beset by the dread specter of "toilet tissue illness." In a magazine advertisement created by the J. Walter Thompson agency for Scott Paper Co., a grim-faced businessman tells a colleague, "I've got to have a... minor operation."

The tale may be quaint, but it reveals a Depression-wracked America highly susceptible to scare tactics and a marketing community only too eager to exploit public fears. Yet few scholars cared to explore advertising's broader relationship to American culture — until now.

Today, Scott's "toilet tissue illness" ads, Thompson's strategic justification for the campaign and some 2 million other documents sit safely within the J. Walter Thompson Archives at Duke University in Durham, North Carolina.

Although it has long been grist for pop commentators, advertising — "things not properly the business of a Paper of Intelligence," as the London Gazette editorialized in 1666 — has only recently begun to draw the attention of scholars who once scorned it but now see it as a window into American culture.

EVIDENCE of advertising's scholarly lure abounds. Last Friday, the Museum of Broadcasting in New York began a four-month retrospective of the commercials of Young & Rubicam, the first advertising exhibition in the museum's 13-year history. And earlier this year, the Smithsonian Institution commenced work on an oral history of the Federal Express advertising campaign, the latest installment in its four-year-old Modern Advertising History Program.

Most significantly, on Sept. 25, Duke formally inaugurated the Thompson archives, which the agency donated to the university last year. In the stacks of Duke's William R. Perkins Library now reside Ford magazine ads from 1949, depictions of Prudential Insurance's rock of Gibraltar symbol dating to 1896 and enough material to fill 900 linear feet (about 275 meters) of shelf space. Scholars are using advertising to dissect the culture of consumerism, trace American adaptation to technology and an increasingly global economy and plumb the depths of the national psyche.

In his 1985 book, "Advertising the American Dream," Mr. Marchand used internal ad agency documents, trade-magazine articles and the ads themselves to illuminate the cultural changes of the 1920s and 30s. The United States was able to retain its simple, 19th-century See SCHOLARS, Page 13

Currency Rates

Table with columns: City, Currency, Rate. Includes Amsterdam, Brussels, Frankfurt, London, Milan, New York, Zurich, etc.

Table with columns: Currency, Par \$, Par Sfr. Includes Australian dollar, Swiss franc, etc.

Table with columns: City, Currency, Rate. Includes London, Zurich, Frankfurt, etc.

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Orders Fall 4.1% In U.S.

September Drop Follows 5.7% Rise

WASHINGTON — Orders to U.S. factories for durable goods fell 4.1 percent in September, after a large 5.7 percent increase in August, the government said Tuesday. Excluding the volatile category of military equipment, orders fell 3.5 percent last month after rising 5.1 percent in August, the Commerce Department said.

The durable goods report depressed the dollar. Page 15. The August rise and the ensuing September decline were mostly the result of wide swings in the transportation category, the Commerce Department said.

Orders for transportation equipment fell 10.2 percent to \$31.6 billion in September, mostly because of a drop in shipbuilding and aircraft, after a surge of 18.6 percent in August, which mainly reflected a rise in car orders. Excluding transportation equipment, September durable goods orders fell 1.7 percent after rising 1.3 percent in August.

Jobless Rate For France Falls 2.1%

PARIS — Unemployment in France, in its biggest monthly decrease in 10 years, fell a seasonally adjusted 2.1 percent in September from a month earlier, the Labor Ministry said Tuesday.

That was welcome news for the Socialist government of President Francois Mitterrand, who in April had pledged to put the fight for jobs at the top of his priorities for the next seven years. The Labor Ministry said there had been 2,556,400 registered unemployed at the end of September, down 3,600 from the end of August. Compared with September 1987, the ministry added, unemployment had dropped 1.5 percent.

The unemployment rate stood at 10.2 percent of the work force in September, down from 10.4 percent in August. Most of the reduction came from a 4.3 percent drop in the number of unemployed youths during September, when school begins, the ministry said. Labor Minister Jean-Pierre Soisson called the monthly decline, the largest since 1978, "encouraging."

He said it also was due to improved labor market conditions, with fewer layoffs and more job offers, a slowdown in the growth of the work force and the first impact of the latest government measures against unemployment. Layoffs declined 8.1 percent last month from a year earlier, while the number of job offers at government employment agencies rose by 11.5 percent.

In nonadjusted figures, the number of jobless people reached 2,632,817 at the end of September, up 3.2 percent from August but down 1.5 percent from a year earlier. Meanwhile, the Bank of France said Tuesday that it had left its key intervention rate unchanged at 7.25 percent for the day's securities repurchase tender when it allocated funds for injection into the money market on Wednesday.

The government, resisting pressure to devalue the franc against the Deutsche mark in the European Monetary System, had been faced with tightening its monetary policy by again pushing up the intervention rate if its currency came under further attack.

But with the public sector industrial unrest of last week fading, the first stage of the 1989 budget law passed the National Assembly last weekend and now the encouraging unemployment report, it appeared that officials had found that unnecessary. (AFP, Reuters)

A History of Big Deals

Table with columns: Date, Target, Business, Price. Includes April 86: Beatrice Companies, Food, consumer products and services, \$6.40.

The Kings of the Leveraged Buyout

Kohlberg, Kravis: Young and Little, and Very Wealthy

By James Sterngold New York Times Staff Writer NEW YORK — Kohlberg, Kravis, Roberts & Co., the small investment firm that has had \$20.3 billion for RJR Nabisco Inc. in just 12 years of existence built up one of the largest industrial holding companies in the United States, using huge amounts of borrowed money. Monday's bid, the richest takeover proposal in history, is an attempt to acquire a consumer products giant, the 19th-largest U.S. industrial company, by means of a technique known as the leveraged buyout. And Kohlberg, Kravis is the king of leveraged buyouts.



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Gold Fields Bid Target of U.K. Antitrust Probe

By Warren Getler International Herald Tribune

LONDON — The British government on Tuesday ordered an antitrust investigation of the £2 billion (\$3.5 billion) hostile bid for Consolidated Gold Fields PLC, dealing a serious blow to the offer by a South African-controlled group.

Britain said its antitrust inquiry, which is due to produce a report within three months, is based on the question of competition in certain high-value minerals, especially the mineral sands titanium and zircon, but does not "in any way pre-empt" the question of whether or not the merger would be against the public interest. Britain said its antitrust inquiry, which is due to produce a report within three months, is based on the question of competition in certain high-value minerals, especially the mineral sands titanium and zircon, but does not "in any way pre-empt" the question of whether or not the merger would be against the public interest.

Gold Fields shares closed Monday at £12.40, but had picked up strongly to £12.80 in early trading Tuesday on market expectations of bid approval by the trade secretary. The market's initial reaction to Lord Young's statement reflected nervousness that the government's move could represent a fatal blow to Minoro's hopes of acquiring the British company, the world's second largest gold producer. But industry analysts generally dismissed the possibility that the referral to Britain's Monopolies and Mergers Commission represented a knockout blow.

Minoro, in accordance with British law, withdrew its offer on news of the antitrust investigation. The first closing date of the bid, launched Sept. 21, was to have been at 3 P.M. Tuesday. A bid automatically lapses on being referred to the monopolies panel. But it can later be re-launched or amended to comply with specific rulings.

Industry analysts say Gold Fields has won a tactical victory. Nick Hatch, mining industry analyst with Kleinwort Greaveson Securities in London, said the investigation puts a damper on the bid for three months, "but you may well see Minoro back in the fray again if the commission doesn't find against it." He added that he does not expect the investigation to find against the bid.

Mr. Hatch, echoing other London analysts, said that while the government has said it is not worried about the South African control, it is concerned about the possibility of increased South African domination of the world's gold industry, growing to more than one-third of the non-Communist market from about one-fifth at present. Gold Fields has contended that its relations with customers in the United States, Britain and in other important markets would be irreparably damaged if its capital structure were formally linked to South Africa.

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Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table of stock market closing prices for various sectors including Industrials, Chemicals, and Metals.

Table of stock market closing prices for various sectors including Energy, Telecommunications, and Utilities.

Table of stock market closing prices for various sectors including Pharmaceuticals, Consumer Goods, and Technology.

Table of stock market closing prices for various sectors including International, Foreign, and Special Dividends.

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U.S. Futures

Via The Associated Press

Table of U.S. Futures prices for various commodities including Grains, Cattle, and Hogs.

Currency Options

Table of Currency Options prices for various currencies including British Pounds and Japanese Yen.

Company Results

Table of Company Results showing revenue and profits for various companies.

Food

Table of Food futures prices for various commodities including Coffee, Sugar, and Wheat.

Metals

Table of Metals futures prices for various commodities including Copper, Aluminum, and Silver.

Livestock

Table of Livestock futures prices for various commodities including Cattle, Hogs, and Poultry.

Financial

Table of Financial futures prices for various commodities including Treasury Bonds and Municipal Bonds.

EURODOLLARS (IMM)

Table of EURODOLLARS (IMM) prices for various maturities and rates.

Stock Indexes

Table of Stock Indexes including NYSE, S&P 500, and Value Line.

Commodity Indexes

Table of Commodity Indexes including various commodity baskets.

Market Guide

Table of Market Guide listing various market indices and their performance.

AMX Most Active

AMX Stock Index

AMX Most Active

AMX Stock Index

AMX Most Active

AMX Stock Index

Despite Higher Earnings, Stock Prices of Japan's Electronics Companies Head Lower

TOKYO — Japan's giant electronics companies, battling the high yen and trade barriers abroad, have recovered brilliantly — but for investors it's not good enough.

The companies, after pulling out of a two-year slump last year, are expected to report higher first-half earnings again this week. But analysts say their share prices are headed lower.

"They've pulled things around, but to take it from here and get profits up is more difficult," said Darryl Whitten, an analyst at Prudential-Bache Securities Inc.

"Japan's world market dominance in electronics is weakening, especially in consumer electronics, and export expansion can no longer be counted on to offset weakening domestic demand," he said.

Profits will be up but profit growth trending down, and investors more sensitive to momentum than actual results in a notoriously cyclical sector, are bailing out, analysts said.

Current profits for the six months ended Sept. 30 should be stunningly high for Toshiba Corp., Fujitsu Ltd. and some

other microchip makers, which could post 100 percent gains. Current profit is similar to pretax profit.

But for 1988-89 as a whole, current profits in the electronics industry are likely to be only 15 percent to 30 percent higher, and growth may slip into single digits next year, analysts said.

Electrical stocks on the Tokyo Stock Exchange have fallen by an average 20 percent from their July peak, and analysts expect another drop of 10 to 20 percent before prices regain any ground.

A year ago strong domestic demand helped electronics companies start to re-

cover from the ravages of the appreciating yen, which had doubled against the dollar, but benefits from that sector are likely to wane next year, analysts said.

The newly industrializing countries of Asia are boosting exports to Japan, increasing competition, analysts said.

Many of the industry's product cycles are maturing, pressuring falling prices for semiconductors, computers and telecommunications equipment, said Thomas Murtha, an analyst at Baring Securities (Japan) Ltd.

The U.S. semiconductor book-to-bill ratio, a measure of orders received to

Dai-ichi and Witter in Link

Reuters
TOKYO — Dai-ichi Kangyo Bank Ltd. said Tuesday that it would begin trading U.S. futures contracts for its clients through Dean Witter Reynolds Inc. if the Finance Ministry allows Japanese firms to take customer orders.

Haruhiko Ishimaru, head of Dai-ichi Kangyo's International Banking group, said Dean Witter was in Japan and channel all its futures business through the U.S. firm.

In exchange, Dai-ichi, the world's largest bank in terms of assets, will share commissions with Dean Witter, a subsidiary of Sears, Roebuck & Co., he said.

Mr. Ishimaru said he expected the Finance Ministry to allow Japanese firms to take customer orders next year. Dai-ichi, which does not have a U.S. securities subsidiary, would have had to set up a new company to become a U.S. futures exchange member, he said.

Dean Witter, which has no offices in Japan, will be able to offer clients access to new Japanese futures contracts through Dai-ichi when the contracts open in June.

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BUSINESS ROUNDUP

Sears Net Is Off, Outlook Gloomy

CHICAGO — Sears, Roebuck & Co., posting lower third-quarter earnings, said Tuesday that its 1988 consolidated earnings may not exceed those of 1987.

Edward A. Brennan, the chairman, said that in spite of anticipated growth in merchandise sales for the rest of the year, "results to date for the year are disappointing."

Bid for Forstmann Studied

WASHINGTON — General Investments America Inc., a unit of General Investments Group of Sydney, said Tuesday that it had begun talks with Charegurs SA, the French conglomerate, about a joint offer to buy Forstmann & Co.'s stock.

General Investments, which holds 1.2 million shares, or 23.9 percent, of the common stock outstanding in the Dublin, Georgia, fabric maker, said in a filing with

retailer, had earnings of \$1.65 billion, or \$4.35 a share. Sears reported net profit of \$344.2 million for the quarter ending Oct. 25, down 15.8 percent from \$409.0 million a year earlier.

Sears said its net after-tax realized capital gains and other income in the quarter was \$90.6 million, compared with \$90.6 million a year earlier. For the nine months, net after-tax realized capital gains dropped to \$180.3 million from \$290.5 million.

SCHOLARS: Academe Is Taking Madison Avenue, as a Cultural Influence, Seriously

(Continued from first finance page) ideals despite an increasingly complex society in part because companies developed "personality advertising," Mr. Marchand wrote.

Advertising history is also being used in new ways off the campus as well. Richard W. Pollay, a marketing professor at the University of British Columbia in Vancouver, was called in as an expert witness in a lawsuit filed against several tobacco companies by the family of Rose Cipollone, a New Jersey woman who died of lung cancer in 1984 after several decades of cigarette smoking.

look into subjects as disparate as how marketers used crowd imagery and how radio developed. But it is the potential uses of these materials that excite many scholars.

In the Modern Advertising History Program's oral history of the Marlboro cigarette advertising, executives of Philip Morris and its ad agency, Leo Burnett, describe the difficulty of exporting the quintessentially American Marlboro cowboy to Hong Kong, where the cigarette was selling poorly.

BMW Forecasts 18% Rise In Group Sales for 1988

REGENSBURG, West Germany — Bayerische Motoren Werke AG expects 1988 group sales to rise to 23 billion Deutsche marks (\$12.8 billion), up 18 percent from sales of 19.45 billion DM in 1987.

He said 1988 profits would be of "the same quality of last year's good result," but gave no details. The parent company's net profit in 1987 was 375 million DM, up from 337.5 million in 1986.

Mr. Kneubel said BMW expected sales to rise to 16 billion DM for the first 10 months of this year, from the 14.4 billion reported for the same period in 1987. Automobile output, he said, should increase to 395,000, up 5 percent from the 376,273 built in the first 10 months of 1987.

He said that domestic auto sales were expected to rise to 154,000 in the January-October period, up 25 percent from the year before. That sharp rise was attributed mainly to purchases being made before the Sept. 30 expiration of tax relief on cars with catalytic converters.

Hong Kong Hotel Group in Defensive Bid

By Steve Vines Special to the Herald Tribune HONG KONG — In a defensive move against a hostile cash-and-securities bid for a leading Hong Kong hotels group, the family that founded the company has made a rival all-cash offer for the shares.

But the Hong Kong-based Kadoorie family's bid for Hongkong & Shanghai Hotels Ltd., which values it at around 5.8 billion Hong Kong dollars (\$743 million), has come under fire from independent directors.

These directors have rejected the Kadoories' 5.80 Hong Kong dollar offer, and the earlier bid from Cathy City Investments, controlled by a leading local businessman, Y.S. Lo, as being "wholly inadequate."

Cathy City has offered 4.80 dollars in cash and 1.50 dollars-worth of Cathy shares for each share of Hongkong & Shanghai, which analysts think Hongkong & Shanghai is worth up to 7 dollars a share.

French Bourse Group Will Sell Office Sites

PARIS — The French Stock Exchange Association said Tuesday that it would sell for commercial reasons several of its office buildings worth about 500 million francs (\$82 million) in Paris's central financial district.

A spokesman said the association would rent back the office space. He said the sale was not related to efforts to recover almost 700 million francs in losses this year because of unauthorized deals in financial futures markets.

Company Results

Table with multiple columns showing financial results for various companies including Canada, United States, and others. Includes sub-sections like 'Company Results' and '(Other Earnings on Page 11)'. Data includes revenue, profit, and per share values for various quarters.



The film star Rosalind Russell endorsed bar soap in this 1942 ad.

Express oral history and will move on to Campbell's Soup next year. That scholars would even consider looking at advertising was a heretical idea until recently, despite the sporadic attention advertising has received through the years in the press and in books written for the general reader.

Vanguard Press Is Bought by Random House

NEW YORK — Vanguard Press, the 62-year-old, independent publishing house that published the first books of Saul Bellow, Dr. Seuss, Marshall McLuhan and Joyce Carol Oates, has been sold to Random House.

The 500 titles on Vanguard's backlist will be merged into Random House's, but for at least 10 years they will be identified on the title page as Vanguard Press books.

Church's Chicken Gets \$295 Million Bid

NEW YORK — A Copeland Enterprises Inc., owner of Popcorn Famous Fried Chicken, offered Tuesday to buy Church's Fried Chicken Inc., a fast-food competitor, for \$8 a share, or a total of \$295.7 million.

Church's, based in San Antonio, Texas, is a distant second in the U.S. chicken fast-food business to Kentucky Fried Chicken, owned by PepsiCo Inc.

BID: Antitrust Inquiry Launched

(Continued from first finance page) nition, "that connection may be one of the underlying reasons for its decision to choose such an illogical basis for investigation as zircon and titanium."

Neither Minorco nor any member of its group of controlling shareholders appear to have any titanium and zircon assets.

Salomon's Net Rose Strongly In 3d Quarter

NEW YORK — Salomon Inc., the big Wall Street investment house, reported Tuesday that its net profit had more than doubled to \$65 million in the third quarter, helped by significantly lower expenses and strong results in its Fibero Energy unit.

The gain in net was accomplished by bolstering margins, as revenues fell 17.3 percent to \$1.29 billion.

Large advertisement for International Management magazine. Features the magazine cover with the headline 'EUROPE'S BUSINESS MAGAZINE'. Text describes the magazine as Europe's only business magazine, providing a pan-European perspective. Includes contact information for various cities like London, Paris, and New York.

Vertical sidebar advertisements on the left edge of the page, including 'Witter in Italy', 'The Daily Source for International Investors', and 'USC'.

Tuesdays AMEX Closing

Tables include the nationwide prices as to the closing on Wall Street and do not reflect late trades elsewhere.

In The Associated Press

12 Month High	Low	Stock	Div. Yld.	PE	52 High	52 Low	Chg.
10 1/2	10 1/2	ABX	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+

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10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+

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10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+

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10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+

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10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+

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10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+

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10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+
10 1/2	10 1/2	ABT	1.20	10 1/2	10 1/2	10 1/2	+

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Oct 25, 1988

Fund Name	Share Price	Change	Fund Name	Share Price	Change
AL-MAL GROUP	10.25	+	AL-MAL GROUP	10.25	+
AL-MAL GROUP	10.25	+	AL-MAL GROUP	10.25	+
AL-MAL GROUP	10.25	+	AL-MAL GROUP	10.25	+
AL-MAL GROUP	10.25	+	AL-MAL GROUP	10.25	+
AL-MAL GROUP	10.25	+	AL-MAL GROUP	10.25	+

Other Funds

Fund Name	Share Price	Change
AL-MAL GROUP	10.25	+
AL-MAL GROUP	10.25	+
AL-MAL GROUP	10.25	+
AL-MAL GROUP	10.25	+
AL-MAL GROUP	10.25	+

Floating-Rate Notes

Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask

Pounds Sterling

Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask

Deutsche Marks

Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask
Issuer/Note	Coupon	Next Bid	Ask

AS - Australia Dollars; BF - Belgium Francs; CA - Canadian Dollars; DM - Deutsche Marks; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; L - Italian Lira; LF - Luxembourg Franc; P - Swiss Franc; SF - Swiss Franc; S - Spanish Peseta; Y - Japanese Yen; Z - German Mark; A - Austrian Schilling; B - British Pound; C - Canadian Dollar; D - Deutsche Mark; E - European Currency Unit; F - French Franc; G - Greek Drachma; H - Hong Kong Dollar; I - Italian Lira; J - Japanese Yen; K - Korean Won; L - Luxembourg Franc; M - Mexican Peso; N - New Zealand Dollar; O - New Zealand Dollar; P - Swiss Franc; Q - Swiss Franc; R - Swiss Franc; S - Spanish Peseta; T - Taiwan Dollar; U - US Dollar; V - US Dollar; W - US Dollar; X - US Dollar; Y - Japanese Yen; Z - German Mark.



DUTY FREE

Gatwick's New Terminal Has Many Innovations

Last year some 19.3 million passengers passed through Gatwick, making it the second busiest international airport in the world. Gatwick's lounges, restaurants and duty free shops were overcrowded until the new North Terminal was officially opened by Queen Elizabeth II in March, 1988. At least 35 percent of passengers to the airport are expected to be transferred to this new facility.

Connection to the main (South) building is by the ingenious Westinghouse automatic train, or "People Mover," which runs every few minutes. Its three-car units are capable of transporting 7,900 baggage-carrying passengers an hour. On arrival, travelers will find that

An elegant, spacious and relaxing shopping area

the North Terminal has three levels with departures at the top and arrivals at ground level. In the middle are the lounges, shops and restaurant facilities.

The demands of modern retailing and the unknown requirements of the integrated European market have been inherent factors in the overall design. Bruce Henderson, chief executive architect for the Project YRM, describes the terminal as "a huge stage set that can be altered to suit the current scene." The inner walls, for instance, are lined with factory-built panels that are all the same size and interchangeable. This means that the windows, doors and air conditioning can all be swapped around.

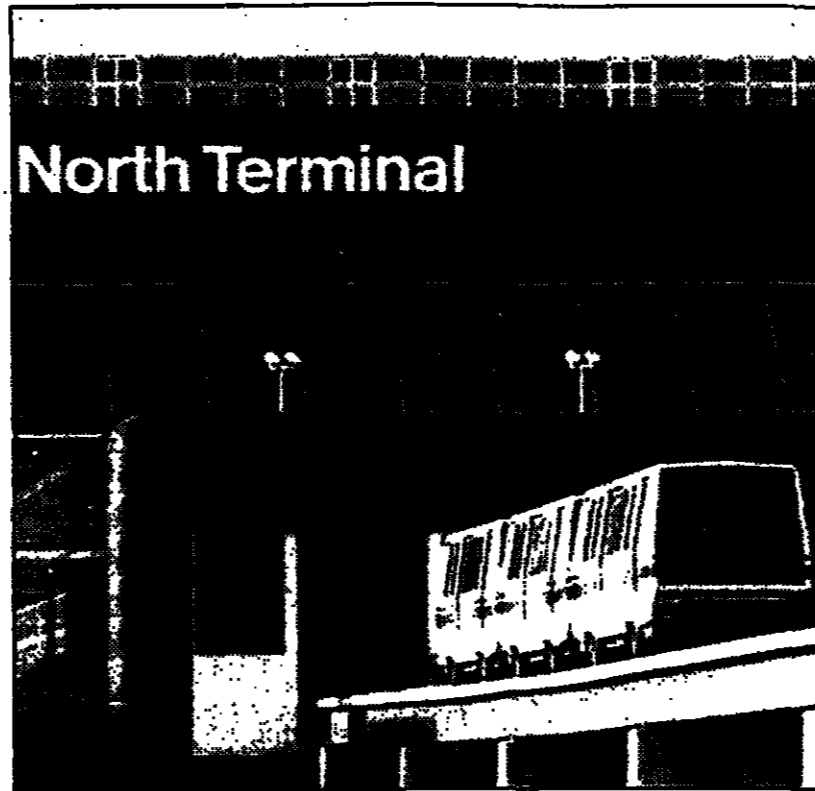
The departing passengers will notice the vast check-in concourse unencumbered by pillars or seats. For those arriving, a faster baggage claim system answers passengers' demands. Computer aided systems sort out the luggage and get it onto the belts and clearly marked sawage-shaped carousels which will

take awkward items, such as skis, more easily.

British Airport Services (BAS), the commercial arm of the operating British Airports Authority (BAA), is determined to make the duty free facility at the North Terminal the recipient of all the lessons learned in the past, especially from the recently completed Terminal 4 at Heathrow. There are also the changes that 1992 is likely to bring about, when three categories of shopper will have to be catered to instead of one. Flexibility, the BAS notes, was of paramount importance.

Planning began in 1983. In the words of Frank Gray, BAS Group marketing manager for duty and tax free, "It was absolutely vital to involve architects and designers greatly experienced in retailing needs." Conran Design Group, a member of the Storehouse company that includes several leading European stores, was selected, their team headed by Graeme Lusted, design director. Experienced duty free concessionaires were also consulted so that their daily problems in serving the traveling public could be effectively resolved. Various bids were taken and the new concession ultimately went to a comparative newcomer to the European scene, Duty Free Shoppers, who until now have dominated the Asia/Pacific duty free market.

The result of all this work is an elegant, spacious and relaxing shopping area on both the land side and the air side of passport control. On



An automatic train arrives at Gatwick's new Terminal North.

the landside is the "Avenue," in which popular British retail names can be found such as Burtons and Dorothy Perkins for men's and women's fashion. Healthworks offers a range of health foods and related products. BAS is also running its own store, Teddys, in which, apart from the ubiquitous bear, there is a wide selection of cuddly toys for both children and adults.

On the air side the most impressive duty free shop in Europe occupies a central 1,400 square meter floor space. Open on all sides, it is surrounded by the strongly patterned carpet of the whole lounge area, which contrasts with the quiet carpeting of the display and sales areas. The display gondolas are about head height throughout so the signs over each product sector are visible from all points.

The middle section of the shop area contains liquor and tobacco goods on gondolas made of gray speckled laminate with anodized aluminum trim. Special offers and

sampleings are presented on individually designed gondolas appropriate to the type of product displayed.

Around the inner edge of the shop are the specialty sections for fashion, electronics, jewelry, confectionery, glass and china, each with its own trained staff. One side is completely occupied by counters selling every major international perfume. Every specialty area has its own color scheme. For instance, china and glass display units are finished in blue and gold trim while those for men's toiletries are in bronze and brown.

The whole effect is of shopping in one of the world's finest department stores. Yet, the whole shop is totally demountable and can be rearranged in another configuration with minimum disruption. It combines the best of modern retailing with the flexibility to cope with any as yet unknown demands that the abolition of duty or tax free shopping for the European resident will bring after 1992. Gatwick North is truly an airport terminal for the 1990s.

The Global Structure of A Retailing Phenomenon

The main global duty and tax free market is currently estimated to be worth \$8 billion. If all fringe transactions that are conducted free of duty or tax are included, its value might reach \$15 billion. This major business, begun in 1947, is a contemporary retailing phenomenon.

Smart marketing people who pride themselves on being streetwise when it comes to moving products are often surprisingly ignorant on the subject of duty free marketing. On their travels they rush into the airport shop for their cigarettes and liquor allowance and never look critically at the pricing and displays on the gondola shelves as they do when shopping in main

Modern travel has created a massive captive market

street stores with their families each weekend.

A little insight into how the duty and tax free market is set up is needed. First, a word of warning. Unlike most developed market situations there is no published accurate retail measurement of product movement and pricings like the Nielsen or AGB. Since its inception duty free has been a seller's market and the demand for shelf space intense. The demand to measure sales has never manifested itself sufficiently outside a few individual and confidential exercises. It must be recognized that with airport retailing franchises changing hands every three or five years the need for confidentiality of sales figures by franchisees is understandable. The little data that are published are piecemeal or based on goodwill reportage by the trade.

From initially being seen as a risk to Government revenues duty free shopping has now been accepted as a major source of such revenues, especially since the majority of locations are government owned or in-

fluenced. The scale of these revenues and their contribution to the operational costs of carriers, landing and terminal facilities are causing grave concern about the potential effects of abolishing fiscal barriers.

Miscellaneous goods include writing instruments, smokers' accessories, watches and clocks, clothing, china, glass, electronics — in fact anything that is not tobacco, liquor or perfumes. The recent growth of this sector means a constant stream of would-be market entrants knocking on franchisees' doors.

The advent of the wide-bodied Jumbo aircraft in the 1970s and the subsequent availability of cheap travel for the mass of people meant that the predominance of international travel was by air. This assured airport shops of being the dominant duty and tax free sales outlet. In recent years airlines other than charterers and long haul carriers have cut back on their duty free sales on board. The ferry trade is only to be found in limited areas of the world such as the British Channel, the North Sea and the Baltic.

Notable is the fourth category of "other shops and sales" and in particular the growth of downtown or off airport shops. These are flourishing in Australia, China, South-West Africa and certain parts of the Middle East. In addition there are some \$90 million in sales in the diplomatic sector and \$40 million in sales to the military abroad through such outlets as PX and NAAFI.

The trade has a definite structure.

Continued on Page 11

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CAMUS

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FRONTIER OSCAR AWARD
Best Marketing Campaign of 1987

FRONTIER OSCAR AWARD
Best New Retailer of 1987

ABU DHABI DUTY FREE

Abu Dhabi International Airport P.O. Box 3167, Abu Dhabi, U.A.E., Tel: 757350, Tx: 22617, ABUCAT EIM, Telex: 757172

DUTY FREE

Top Ten Cognac

Among the various drinks that attract the duty free shopper, cognac figures high on the list. One of the top ten selling cognacs is Hine. 1987 was its best ever trading year. "Sales reflect the worldwide strength of the brand, particularly in the higher categories," says Philip Robinson, duty free marketing director for Hine's distributors UDG. Prime markets are Europe, especially the United Kingdom, the Americas and Asia/Pacific.

New introductions in 1988 have been Hine XO in an attractive Royal Blue Limoges decanter and a striking 24 carat gilded Golden Stag containing Hine Extra. This stag at rest is a replica of the Hine emblem in Limoges porcelain, each one individually numbered. It makes an excellent gift.



Mr. Jacques Hine.

Scheduled for introduction in the second half of 1989 and a must for the cognac connoisseur is Hine Très Vieille Fine Champagne Antique. There will also be several other new product introductions to watch out for.

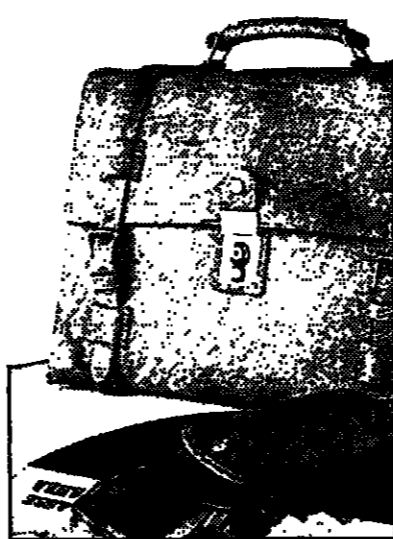
Meanwhile, the UDG stand at the Tax Free World Exhibition is displaying the full Hine range of Extra, XO, Napoleon and VSOP cognacs.

The Legend Of Leather

Nobody could accuse German leather goods manufacturer Goldpfeil of standing still. Always in search of innovation, the company works in association with leading fashion designers such as Jil Sander to ensure that a constant stream of new ideas keeps coming off the drawing board.

A new handbag named "Wall Street" was recently introduced for the woman executive. Doubtless inspired by the Michael Douglas film, its executive styling and soft black nappa leather finish make it a classical accessory for any business situation.

For the highly selective business traveler, prime duty free attractions are the Sport and Caracciola luggage collections. Sport is a smart range of handbags, attaché cases,



portfolios and personal items in several colors including burgundy. Hand-crafted from Goldpfeil's "Oxford finish" leather, they are supple yet virtually indestructible. By way of contrast, Caracciola looks casual and rugged in tanned and deeply textured leather.

Goldpfeil already has 33 of its own shops in the world's leading capitals. But travelers continue to enjoy the chance to browse through duty free for a handbag, portfolio or wallet to suit the mood of the moment.

Distinctive Malt Whiskey

The folk who inhabit the islands of Scotland are a hardy race who prize their individuality and fiercely protect their independent way of life. This is reflected in the whiskey that they produce, especially the single malt that proudly bears the name of its highland home, Isle of Jura. It has a distinctive, subtle smoothness all its own that will delight the palate of the whiskey connoisseur and will evoke thoughts of the rugged mountains and clear, soft water that gave it birth. Its distinction is enhanced by its curved bottle that can be found in most duty free shops in Europe as well as on all British Airways flights.

It is a sister whiskey to Glayva and Mackinlay. Glayva also sells well in duty free and can be found in the Canadian border shops. Early in 1989, Mackinlay will be launching a special bottle into local markets, which will be worth looking out for. Meanwhile, its superb 12 and 21 year old blends continue to hold pride of place in this portfolio of fine whiskies.

Structure

Continued from Page 1

The owners of the shop locations — government or municipality in the case of terminals or airline or ferry operators in the case of carriers — often operate the shops on their premises. Where they do not operate such outlets themselves they are offered to franchisees that bid to have them for a fixed term. Names such as Alders, Heineman, Weitnauer and Duty Free Shoppers figure large as franchisees. If a company does not wish to run its own specialist duty free sales team, a number of duty free agents/wholesalers will carry complementary products in their portfolios.

Available data show that there were some 800 million passengers on scheduled flights in 1985 and a further 100 million on charter flights. Setting aside the high percentage of domestic internal flight passengers, it is estimated that over 286 million international trips are made annually of which some 57 million (20 percent) are business trips involving between 20 and 30 million passengers. That is a big

captive audience waiting in the departure lounge. Yet only 35 percent of them take the opportunity to shop. While some fear missing their flight call, others merely become blasé.

Travelers also shop less critically than they do in their main street stores at home and more often than not end up buying their favorite brand, but trade up to a higher quality.

Is duty free a good place to test market quality products? Opinions vary. Duty free shop operators tend to see it as an abuse of their facility. United Distillers Group's James Espey sees it as ideal for the purpose, whereas Seagram's Ed McDonnell sees the duty free shopper as atypical and unrepresentative. Products taken into a duty free shop have to sell. Pressure on space is intense and if a product does not move fast then it is quickly delisted. That is why duty free is so much the province of established brands and names that are heavily promoted in daily life.

Duty and tax free shopping together with shopping in the air on board is here to stay. Airports are increasingly turning their circulating areas into shopping malls. Trav-

elers are lessening the inconvenience of waiting for flights or the tedium of the journey by shopping for whatever is on offer. The travel

Total Sales by Product Group (\$ billions)		
	Market Sales (\$)	Market Share (%)
Wines & Spirits	2,703	33.8
Perfumes & Cosmetics	1,698	21.2
Tobacco Goods	1,348	16.9
Miscellaneous	2,349	28.1
	8.0	100.0

Total Sales by Region (\$ billions)		
	Market Sales (\$)	Market Share (%)
Europe	3,725	46.9
Americas	1,412	17.6
Middle East & SW Africa	0.516	6.5
Africa	0.103	1.3
Asia/Pacific	2,242	28.0
	8.0	100.0

Total Sales by Outlet Type (\$ billions)		
	Market Sales (\$)	Market Share (%)
Airport Shops	2,706	34.5
Airline	0,719	9.0
Ferries	0,809	10.1
Other Shops & Sales	3,713	46.4
	8.0	100.0

SOURCE: GENERATION PUBLICATIONS

experience is now a shopping experience. Today's manufacturers increasingly recognize the showcase that these outlets offer to those who influence their friends and neighbors by shopping in the global village.

Exports from Russia

The last years have seen major changes in attitudes to foreign trade within the USSR. Now Soviet enterprises are encouraged to have direct access to foreign markets and to create conditions for increasing their export and financial potential from such trade. This perestroika is crucial to Plodimex, a Soviet/German foreign trade company established in 1974 and with business activities throughout Europe. Its main shareholder has now been incorporated under the supervision of the State Committee for Agroindustrial affairs (Gosagropom), thus making Plodimex its export channel.

Under the patronage of Gosagropom are thousands of Russian enter-

prises which will benefit from Plodimex's long experience of trading with Western European countries and its wide ranging professional marketing services.

It is a two-way business, with Plodimex assisting in the buying of equipment and machinery for food processing and the production of juice concentrate, for instance. Finished products are then being bought for sale to Western European consumers.

One of the better known products from Plodimex is Moskovskaya vodka, now in the lead position in the Federal Republic of Germany, with its sister brand Stolichnaya strongly featured in duty free shops.

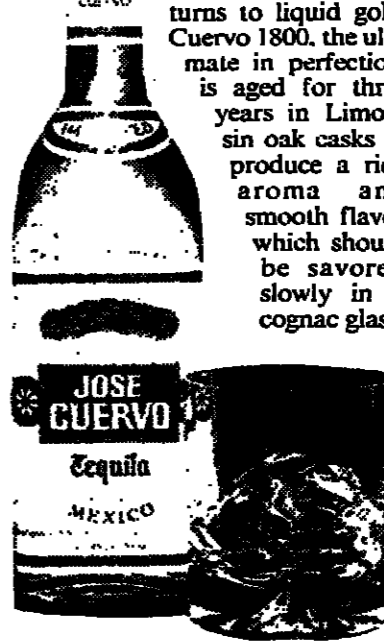
Tequila for Afficionados

Don Jose Cuervo founded his company in Mexico in 1795 with a deed from King Carlos IV of Spain. Today it is still family owned and run, the present owners being direct descendants of Don Jose Cuervo.

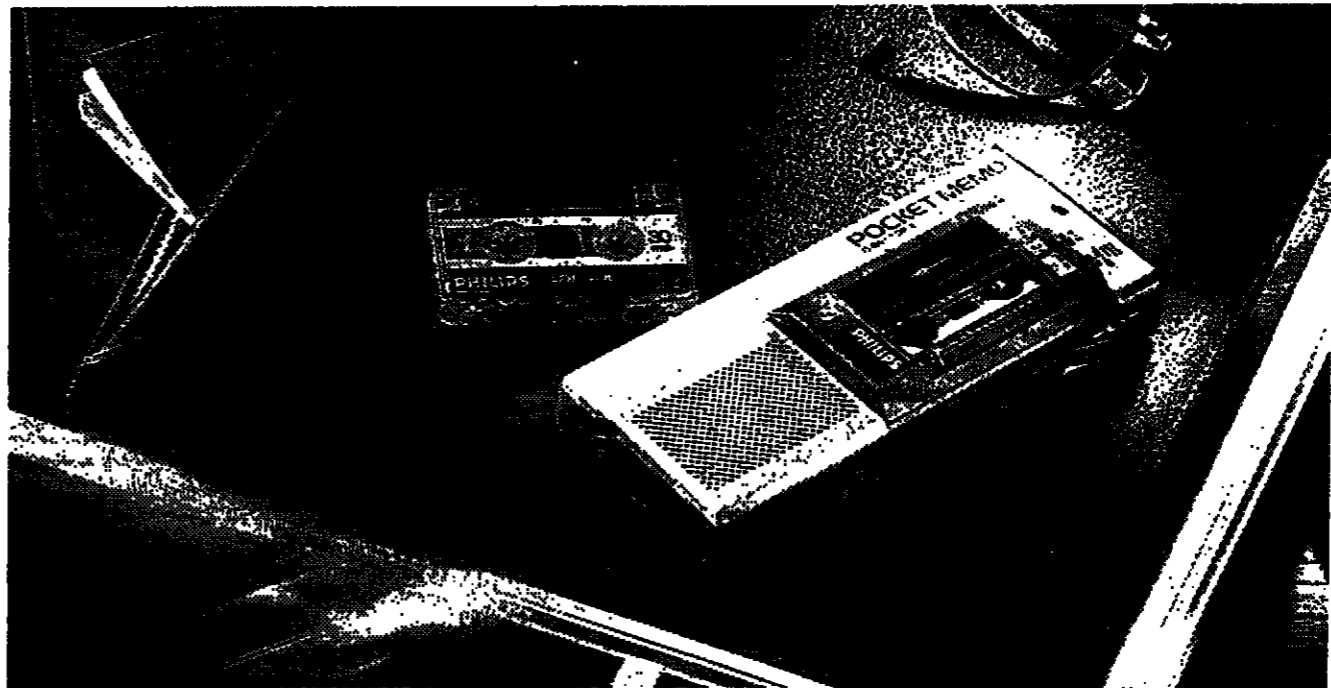
Tequila is made from the juice of the agave plant. It was first discovered when Spanish soldiers tried distilling the juice of the plant that the Mexican Indians fermented for

sacred wine. The region around the small town of Tequila in the Mexican state of Jalisco is the only known area where the agave tequilana grows naturally.

Today the range from this original producer includes Jose Cuervo Blanco, a high quality white tequila with a smoothly unique taste, and Tequila Cuervo Especial, which is "rested" in oak barrels until it turns to liquid gold. Cuervo 1800, the ultimate in perfection, is aged for three years in Limousin oak casks to produce a rich aroma and smooth flavor which should be savored slowly in a cognac glass.



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PHILIPS

DUTY FREE

A Decade of Dunhill

Dunhill is a name synonymous with some of the finest quality goods that money can buy. Next year the company celebrates a decade of business in duty free shops worldwide, especially in the Asia/Pacific region. Dunhill is committed to duty free as it provides high visibility in the international marketplace.

This year there are several exciting new Dunhill products to look out for. Notable is the multi-function Millennium watch, a new design featuring gold plated links introduced vertically on the bracelet which has a porte-feuille clasp. The dial has the date on the radius and there are three smaller dials which show day, month, seconds and the phases of the moon.

For spring/summer 1989 the menswear collection is entitled, "A Gentlemen Abroad — St. Paul de Venice." This attractive line includes the finest cotton polo shirts, luxury knitwear and hand-finished silk ties.

Among Dunhill's leather goods, there are a number of ideal gift items. An extensive selection of fine leather belts ensures no sizing problem, as each is adjustable. The wallet collection also is innovative as it comprises various sizes according to the currency being carried, whether American dollars or Japanese yen.

The Dunhill Edition personal care line, encompasses fragrance, hair, skin and body care products. Recently introduced to this line is a bath and shower gel.

Suitably bathed and dressed, the Dunhill man can settle back to enjoy Dunhill Old Master Scotch whiskey, now available worldwide in a crystal decanter. Crafted in the shaft and globe shape that dates back to the work of a well-known 18th century English glass maker, George Ravenscroft, each decanter is packed in an attractive gift box. The whiskey can also be obtained in a distinctive green glass bottle with cork stopper and wax seal.

These are just some of the highlights from the extensive range of Dunhill luxury goods that you will be able to find in duty free shops in the coming year. Look for them in the new Dunhill boutique in Heathrow's refurbished Terminal 3 or in the Dunhill shops.

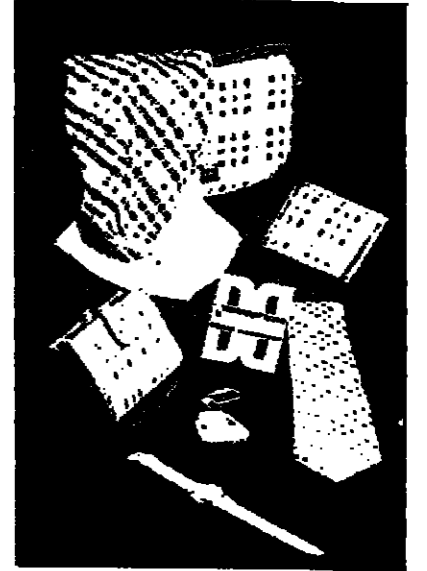


British Style and Quality

DAKS-Simpson, a name synonymous with the best of British fashion and epitomized by its famous store in London's Piccadilly, traces its origins back to 1894. In that year Simeon Simpson set up a tailoring business on Middlesex Street in the City of London. The name DAKS was introduced in 1934 to brand the world's first self-supporting trousers. This totally eliminated the need for suspenders and waistcoats to hide them, and a new sartorial freedom became possible.

Today the name DAKS is being used to spearhead a whole range of classical, quality goods designed to meet the needs of the most fastidious global traveler. Duty free shops have long displayed this attractive line and at the Tax Free World Exhibition in Cannes the latest DAKS goods are on show this week. For instance, a new range of luggage is Black DD Jacquard with cowhide trim, complementing the current brown leather lines. There are also handbags, watches and sunglasses in the unique DAKS style. For men there are fashion accessories such as silk scarves and belts and the beautiful DAKS silk foulard ties.

DAKS is expanding its sales worldwide and is now available in some 76 countries. The latest innovation is the duty free DAKS Corner, which opened in Seoul on September 30, a further development of the DAKS Corner concept, of which five more were recently opened.



Cointreau Expands Its Line

The major drinks group Cointreau is diversifying into new markets, as well as expanding the international network of its Topline Tax Free Traders subsidiary in order to bring new and attractive products to the duty and tax free shopper.

Several major agreements are expected to be finalized this week at the Tax Free World Exhibition in Cannes, but already Cointreau has taken a majority share in Bizac, manufacturers of fine foods.

Other new additions to the Topline range include Swissbee watches, Lanvin and Therese Sudre jewelry, Pontifa clocks, Kellermann leatherware, Valrhona chocolates and Callard & Bowser confectionery.

Explaining the emphasis on tax free as opposed to conventional duty free lines, Topline marketing coordinator Peter Brandsma commented: "The sales growth of miscellaneous gift lines is far outstripping that of liquor and tobacco — so much so that this area is now worth over \$5 billion in worldwide tax free sales, only fractionally behind the traditional bastions of wines and spirits."

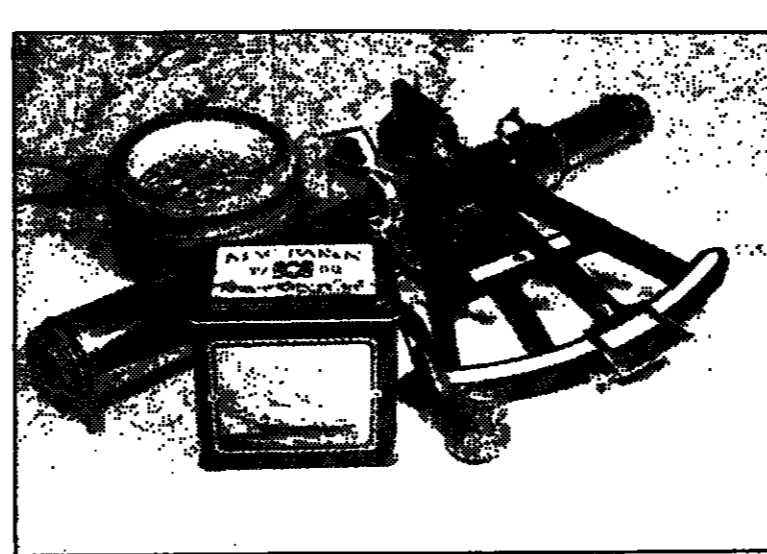
Topline, already represented in Benelux, Germany, Austria and

France is looking farther afield at the United States, the Caribbean, the Mediterranean and Middle East markets. "We are looking world-



Mr. Peter Brandsma of Topline.

wide at a combination of joint venture trading companies and greenfield operations," says Mr. Brandsma. "The Topline philosophy of concentrating solely on maximizing individual brand performance is rapidly gaining favor as an antidote to the huge, tax free marketing divisions where competing brands are often carried in the same portfolio."



Traditional Favorite

The Danes are the world's leading pipe smokers, and Mac Baren is their most popular choice. The rest of the world seems to be following their lead, because over 80 countries now import a score of blends from Svendborg on the beautiful island of Funen.

More than 150 years of tradition have gone into this fine range of quality pipe tobacco. In duty free, look out especially for Mac Baren Mixture, Golden Blend and Plumcake, available in 50g pouches, 100g tins and 250g tins. In recent months there has also been an increasing demand for the more aromatic tobaccos such as Mac Baren Black Ambrosia and Golden Ambrosia. A new introduction to duty free this year, Navy Mixture, is also proving popular.

New Service for Shoppers

It is possible to shop duty free and tax free in the main streets of many European cities and towns. For the foreign visitors, made-to-measure clothes, fabric lengths, cars, electronic and many other goods have always been available for purchase at preferential prices. But the recent advent of the Europe Tax Free Shopping Service is certain to make the whole process far simpler.

The need for this type of service is underlined by the \$340-\$374 million worth of VAT that went unclaimed last year. Visitors were either unaware or simply didn't care enough to act on their exemption.

Those that enjoyed the advantages of the Europe Tax Free Shopping Service were far luckier. This

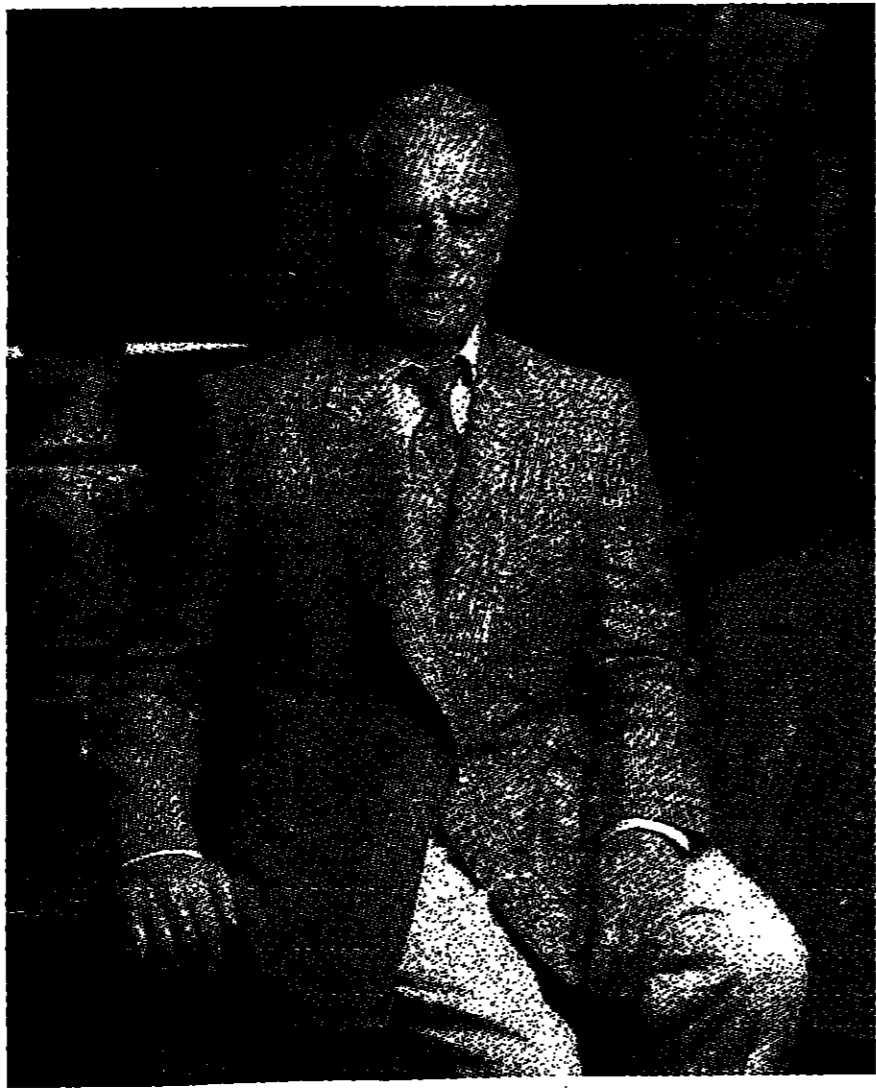
service is offered by a network of European stores that can be easily identified by their distinctive red, blue and black symbol.

The service gives visitors a voucher showing exactly how much tax they have paid, and where they would like to have it refunded. When visitors leave the country, they present these vouchers at the customs gate for stamping.

With this final seal of approval, the vouchers are then mailed back to the Europe Tax Free Shopping Service, which arranges repayment.

Despite the resistance of some airport operators, it seems likely that refund vouchers will soon be cashable at special desks in airport departure areas.

"Some of my best customers are so impressed with the Goldpfeil quality they're even switching to German cars..." Mr. Guy Greengard, Rodeo Drive, Beverly Hills.



We are exhibiting at the Tax Free World Exhibition in Cannes in the "Green Village" stand K.22. Enquiries: Goldpfeil Ludwig Krumm AG, EO Box 100062, Kaiserstrasse 28-29, D-6050 Offenbach, W. Germany. Telephone: (49) 805040. Telex: 4152268. Fax: (49) 8050272.

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New Shops Inaugurated at Moscow Airport

Within ten days of opening, Moscow's duty free shops had sold more bottles of premium brandy, such as Remy Martin's Louis XIII at \$398 a bottle, than Shannon sells in a year. Cashmere jackets at \$750 each were also top sellers. In Aer Rianta's view this makes Moscow a prime outlet for top-of-the-range merchandise.

The Aer Rianta deal was the 38th joint venture signed by the Russians with Western partners since the advent of perestroika. Aeroflot and the Irish company formed a joint company called Aerofirst, on February 16, 1988. Ireland's minister of transport, John Wilson, and a delegation of top Aer Rianta management led by Liam Skelly, assistant chief executive and manager of Shannon airport subsequently paid a preparatory visit to Moscow. Expecting months of negotiations, they were amazed at the speed with which agreement was reached. However, the Russians required the shops to be open in May 1988 to coincide with the inauguration of Pan Am's new jumbo jet service out of Moscow and the visit of President Reagan.

The Irish have the longest experience with this business, having opened the world's first duty free

The opening last May of two spacious duty free shops in Moscow's Sheremetyevo airport comes as something of a revelation because, while ubiquitous lines and disinterested sales people are the norm in Russian shops, here one is greeted by cheerful Irish assistants. This major entrepreneurial event in a country not noted for progressive retailing is the result of a close relationship between Aeroflot and Aer Rianta, Ireland's airport operating authority.

shops at Shannon airport in 1947, so Liam Skelly and his colleagues were determined to show the cynics in the foreign airlines and the diplomatic corps of Moscow that they could meet their target in just under the four-month limit. Construction began in the airport on April 4, and on May 1, 1988, the opening ceremony was conducted by John Wilson, Ireland's Transport Minister and His Excellency Gennadi Vasilevich Uranov, the Soviet Ambassador to Ireland, and Mr. Vladimir Nacharov, director general of Aeroflot.

The job of the Irish staff is not only to operate the two shops at Aer Rianta's high standard but to train a Russian team to work with them

and ultimately to take over the majority of the jobs. This is being achieved with great success because the Russians enjoy working with the Western goods and are proving themselves quick learners of sales techniques.

So what will the million or so passengers who pass through Moscow airport find in these duty free shops? Not surprisingly, Liam Skelly wants to make them a showcase for the finest Irish products such as Waterford crystal, Magee tweeds, Henry White ladies' fashion, Bailey's Irish Cream liqueur, Irish smoked salmon, Irish whiskey and Irish linen. All of these will be featured strongly among famous inter-

national brands such as Christian Dior and Johnnie Walker.

Russian goods will also be featured as David Hope, overall manager of the shops, upgrades their packaging to compare favorably with the non-Russian products in the shop. Aer Rianta is also taking the present Russian Beriozka airport shops into Aerofirst control. David Hope is wildly enthusiastic about a Russian armagnac which he says "would put others to shame," and praises porcelain from Leningrad and, naturally, Russian vodka.

Of particular interest to the traveler in the airport are the prices, which for some international brands are as much as 30 percent below the rates in other European duty free shops. A key factor is the comparatively low Russian wage rate. A Russian sales assistant in Moscow is paid \$75 a week compared to around \$350 in Shannon.

In their first year, the two Aerofirst shops are expected to take in \$20 million. Aer Rianta's agreement is that they can take their profits in hard currency, but Liam Skelly does not see such profits flowing until after two years or so of operation. This latest Irish/Soviet venture has opened the trade doors wide to other



Mr. Liam Skelly and Moscow Duty Free.

commercial relationships. Duty free trading is likely to extend to Leningrad airport and the border with Finland at Vyborg and to the 20,000-strong diplomatic community in Moscow.

The joint agreement runs for an initial five years. The Russians have a 51 percent share in Aerofirst, a standard holding in all such deals, and have invested \$6.25 million, the Irish investing all their know-how and some \$2 million.

A returning Irish tourist summed up the effect of this example of perestroika when he said, "For the first time during our stay in the Soviet Union we felt welcome in a retail store."

Jose Cuervo
The world's leading tequila

Australia's Downtown Shops Have \$120 Million Turnover

On-airport operators and their government landlords are putting pressure on downtown shops to preserve their

own market share and concession fees. This insular attitude is scarcely an incentive for the tourist industry which, according to the Australian

Bureaucracy has done little to help Australia's downtown duty free trade, a business legalized in 1970.

groups: those aimed at the wealthy Japanese visitor and those that cater specifically to the Western tourist. The former tend to buy only premium items such as very expensive cognacs or fashion products and accessories. They usually employ specially trained Japanese staff and, in most cases, carefully nurture close

working relationships with tour companies. At the same time, these downtown stores are doing everything in their power to publicize their locations.

Indeed, Australia sees its greatest tourist potential as being the largely under-developed inter-Asia business. With this reservoir to draw on, plus the increasing affluence of the Asia/Pacific region, the potential for a vigorous duty free trade is apparent.

This awareness is stimulating other Australian services to help travelers plan their shopping. A recent development is the Travelers' Radio Service broadcasting news, information and advertising to Asian visitors in Asian languages.

This Advertising Section was written by Peter R. Wenban & Associates, London-based specialists in world duty free marketing.

The flavour of an island in a single malt.

Isle of Jura
SINGLE MALT
SCOTCH WHISKY



tourist Commission, was valued at around \$2.26 billion — equivalent to 8 percent of the country's export earnings — in 1986.

Despite these obstacles, there are now 175 downtown shops in Australia and their annual turnover has reached a healthy \$120 million. They fall into two

THE BEST OF TASTE:
MIX A BEEFEATER
MARTINI

Take Beefeater Gin and dry Vermouth in a proportion anywhere from 21 to 1 to 5 to 1. Pour into an ice cold mixing glass with ice, stir and then strain. Add a twist of lemon.

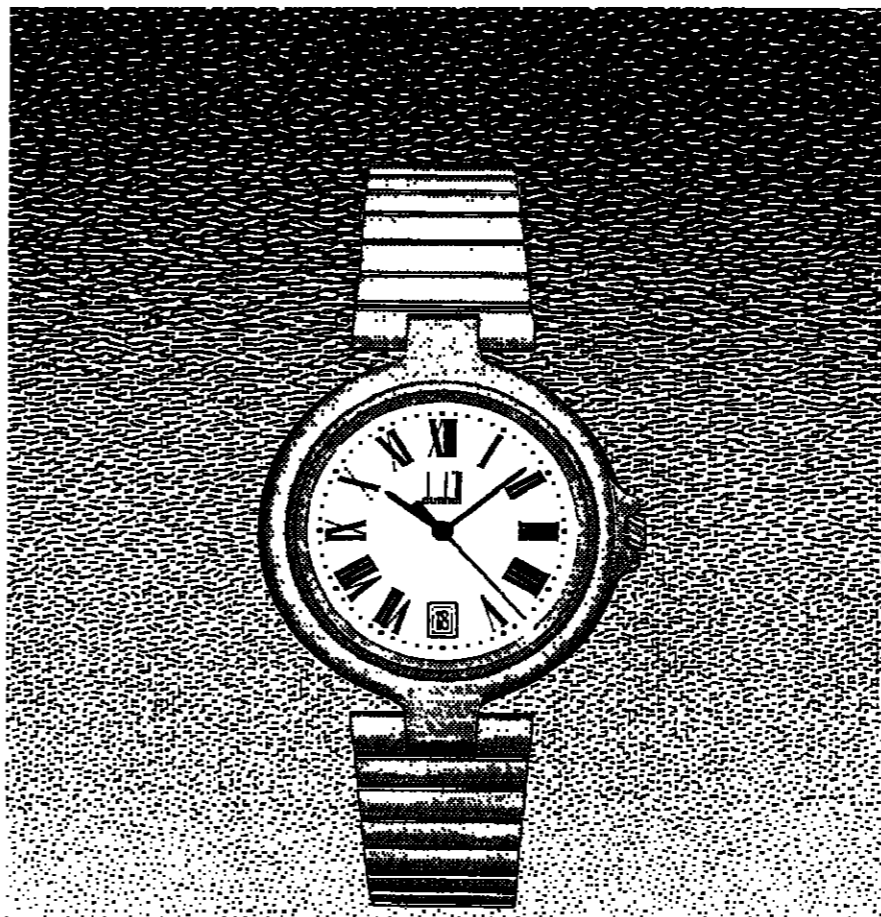
Cheers!
For a recipe leaflet which further demonstrates the excellence and versatility of Beefeater Gin why not write to:

James Burrough, Beefeater House,
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THE GIN OF ENGLAND

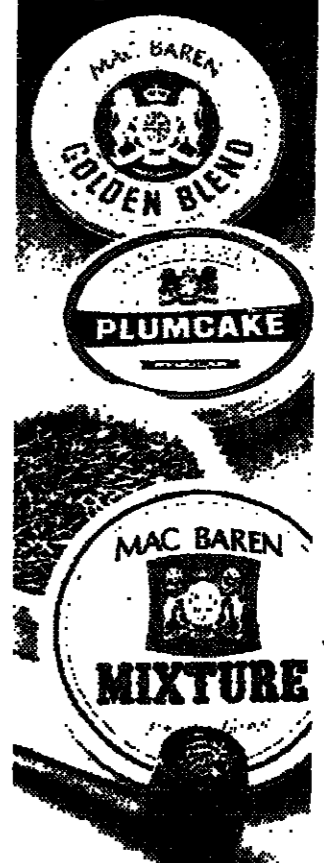
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CURRENCY MARK
Dollar Declin
Bundesbank Uner
OTC
Prices

CURRENCY MARKETS

Dollar Declines as Sterling Recovers

NEW YORK — The dollar closed slightly weaker against most major currencies Tuesday, depressed by news of a sharper than expected drop in U.S. durable goods orders in September.

Earl Johnson, vice president in foreign exchange at Harris Bank in Chicago, noted that the dollar opened firmer against the mark, but the durable goods number was much weaker than we anticipated.

against the mark Tuesday, rising to 3.1388 DM at the close in London from 3.1308 at Monday's close.

Table with 4 columns: Currency, Bid, Ask, and Spread. Includes Sterling, Swiss franc, Japanese yen, and French franc.

KOHLBERG: The Kings of the Leveraged Buyout, Young and Wealthy

(Continued from first finance page) philosophical reasons, hinting that he was concerned about the growing size of the deals his partners wanted to pursue.

to help finance deals in conjunction with the capital the firm draws from its \$3 billion fund.

manufacturer of pumps, machine tools and industrial products, for \$370 million. It was the first time a buyout had been done of a sizable company listed on the New York Stock Exchange.

skier and motorcycle rider who plays as hard as he works, those close to him say. In college, he was captain of his golf team.

Bundesbank Unexpectedly Fine-Tunes Its Monetary Policy

By Ferdinand Protzman International Herald Tribune FRANKFURT — In a surprise move, the Bundesbank fine-tuned its monetary policy Tuesday, calling tenders on 28-day securities repurchase agreements at a variable interest rate with no minimum bid and raising its discount quota by 5 billion Deutsche marks (\$2.8 billion).

sources said they expected the rates on accepted bids, to be announced Wednesday, to range between 4.40 percent and 4.50 percent.

The West German call money rate, or interest rate on overnight funds, was quoted at 4.70 to 4.80 percent late Tuesday, while the rate on one-month funds was 4.85 to 4.95 percent.

When Kohlberg Kravis operates out of discreetly with offices overlooking Central Park in Manhattan, its staff puts in long hours and is paid enormously well.

Kohlberg, Kravis's staff of just 15 professionals puts in long hours and is paid enormously well. The ultimate payoff, of course, is to become a partner and earn the right to take a share of the huge profits.

1976 by three partners at Bear, Stearns & Co. Mr. Kohlberg, who holds a business degree from Harvard and a law degree from Columbia, was head of investment banking at Bear, Stearns, while Mr. Kravis, who is 44, and Mr. Roberts, 45, both worked for him.

John P. McLoughlin, of Latham & Watkins in Los Angeles. But the personalities of the senior partners are far different.

Mr. Kravis, a native of Tulsa, Oklahoma, went to the Claremont Men's College in California and Columbia University's business school.

Mr. Roberts, a native of Houston, is far more low-key, those who know him well say. He avoids the limelight and is a family man who tries to spend as much time as possible with his three children.

Tuesday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the last most frequent bid or offer.

Table of OTC prices for various stocks including AAV, AAT, ABE, etc.

Table with 4 columns: 12 Month High, Low, Stock, Div. Yld. PE Ratio, 52 Wk High, Low, 4 P.M. Close.

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Turnover

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AMEX Closing

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BOOKS

MRS. THATCHER'S REVOLUTION: The Ending of the Socialist Era

By Peter Jenkins. 417 pages. \$25. Harvard University Press, 79 Garden Street, Cambridge, Mass. 02138.

THATCHER

By Kenneth Harris. 248 pages. \$19.95. Little, Brown, 34 Beacon Street, Boston, Mass. 02108.

Reviewed by Bernard D. Nossiter

PETER JENKINS, the thoughtful political columnist for The Independent, the British daily, has written a most useful book, a dense and provocative account of Margaret Thatcher's eight-year rule.

Jenkins believes Thatcher has achieved her central objectives, killing socialism once and for all, mortally wounding the trade unions, destroying local governments, some of whose Labor Party-controlled councils whimsically gave away taxpayers' money to lesbians, folklorists and environmentalists. More positively, her Conservative government has brought about a massive redistribution of wealth, taking from the bottom, giving to the top. In a study made since Jenkins wrote, it appears she has siced about \$38,000 from the taxes paid by each member of Britain's richest 1 percent; those in the lower half have enjoyed a cut of about \$500.

This revolution is clearly marked with her personal stamp. Thatcher has accepted the evolution from cabinet to prime ministerial government, moving and rebalancing finance and foreign ministers with the ease of a strong American president.

In Jenkins's view, she accomplished her revolution by standing John Maynard Keynes on his head. In the great slump of 1980-82, she deflated instead of reflate, she increased taxes to reduce aggregate demand instead of strengthening demand with tax cuts or spending. This was breathtaking, something even a Reagan would not dare. The resulting unemployment, three million (or about 12 million on an American scale), purged all the evil humors. It reduced an inflation that had touched 20 percent to the 4-to-5 percent now thought acceptable. The lack of jobs and fall in membership tamed trade unions that had once been a formidable force for inflation in the land. The new economic earthquake shattered her political opposition, dividing Liberals of the classic center into unrecognizable new parties, exacerbating the fractures in the feeble Labor Party, her chief opposition.

Jenkins, the rare journalist who is numerate as well as literate, makes a strong case, but he claims both too much and not enough. For one thing, Thatcher has been very lucky. As she came into office, there were two critical events. North Sea oil began flowing, freeing any government in the 1980s from the balance of payments constraint that had inhibited policy for 35 years after the war. At the same time, Paul Volcker launched his assault on U.S. inflation, creating the deepest postwar slump, one broad enough to reach Europe and collapse world commodity prices.

Jenkins rightly stresses the creation of deliberate unemployment as the key to Thatcher's handwork. Since he has written, she has permitted unemployment to come down a bit, although it is much higher than the two million officially reported. She has cut the jobless rolls substantially by redefining several hundred thousand out of the dole queue. Unsurprisingly, prices are rising again, money is being tightened and somewhat, despite the oil, the balance of trade has fallen into deep deficit. In the end, Robert Solow of MIT may be nearer the mark. The Thatcher revolution consists largely of discovering that high unemployment is politically tolerable. The software programmer in London or the

McDonald's waitress in Leeds does not feel threatened when a Belfast shipyard closes. Helmut Kohl in West Germany and Ronald Reagan in the United States have discovered much the same thing, restraining inflation with high unemployment. As Jenkins observes, this discovery ends the postwar consensus for high levels of employment.

Kenneth Harris is a different kind of journalist. He enjoys a reputation for asking notables precisely the questions they would have asked themselves. His little book will leave Harris's reputation undimmed. We are quickly told that "Margaret Thatcher's standing today is higher than that of any prime minister since the Second World War"; that "she is the most outstanding peacetime prime minister of the century." Like Clement Attlee's, her policies are "based on morals," and, like Attlee, she can be described as "the most ethical prime minister Britain has ever had."

Bernard D. Nossiter reported from London for The Washington Post from 1971 to 1979. He is the author of several books, including most recently "The Global Struggle For Marx." He wrote this for The Washington Post.

BEST SELLERS

The New York Times. This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

Table with columns: Rank, Title, Author, Last Week, Weeks on List. Includes titles like 'The Cardinal of the Kremlin' and 'The Queen of the Damned'.

Table with columns: Rank, Title, Author, Last Week, Weeks on List. Includes titles like 'A Brief History of Time' and 'The Ragman's Son'.

Table with columns: Rank, Title, Author, Last Week, Weeks on List. Includes titles like 'The 8-Week Cholesterol Cure' and 'Swim with the Sharks Without Being Eaten Alive'.

World Stock Markets

Via Agence France Presse. Closing prices in local currencies, Oct. 25

Table of stock market data for Amsterdam, including indices like ASB Bank, AEX, and various individual stocks.

Table of stock market data for Brussels, including indices like BEL 20 and various individual stocks.

Table of stock market data for Frankfurt, including indices like DAX and various individual stocks.

Table of stock market data for London, including indices like FTSE 100 and various individual stocks.

Table of stock market data for Paris, including indices like CAC 40 and various individual stocks.

Table of stock market data for Tokyo, including indices like Nikkei 225 and various individual stocks.

Table of stock market data for Zurich, including indices like SMI and various individual stocks.

Table of stock market data for various international markets including Hong Kong, Singapore, and Seoul.

Table of stock market data for various international markets including Mexico, Brazil, and Argentina.

Table of stock market data for various international markets including Canada and Australia.

Table of stock market data for various international markets including South Africa and India.

Table of stock market data for various international markets including New Zealand and the Philippines.

Table of stock market data for various international markets including Thailand and Malaysia.

Table of stock market data for various international markets including Indonesia and the Middle East.

Table of stock market data for various international markets including the Caribbean and Latin America.

Table of stock market data for various international markets including the Pacific and Asia.

Table of stock market data for various international markets including Europe and Africa.

Table of stock market data for various international markets including the Americas and Oceania.

Table of stock market data for various international markets including the Middle East and Europe.

Table of stock market data for various international markets including Asia and the Pacific.

Table of stock market data for various international markets including Latin America and the Caribbean.

Table of stock market data for various international markets including Africa and the Middle East.

Table of stock market data for various international markets including Europe and Asia.

Table with crossword puzzle clues and answers, including 'Southampton shindig', 'disturbances', 'Salt tree of India'.

Table with crossword puzzle clues and answers, including 'Two thespian Chaney's', 'Sommer of the oysters', 'Huron's cousins'.

Table with crossword puzzle clues and answers, including 'I DO AND I WANT TO GO TO YOU BUT NOT TO YOU', 'HOW DO I KNOW YOU'RE NOT SCRAMBLING?', 'OH, YES, SEE WHAT GOOD I'M DOING'.

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Table with crossword puzzle clues and answers, including 'I DO AND I WANT TO GO TO YOU BUT NOT TO YOU', 'HOW DO I KNOW YOU'RE NOT SCRAMBLING?', 'OH, YES, SEE WHAT GOOD I'M DOING'.

WEATHER

Table of weather forecasts for Europe, Asia, and North America.

AFRICA

Table of weather forecasts for Africa.

LATIN AMERICA

Table of weather forecasts for Latin America.

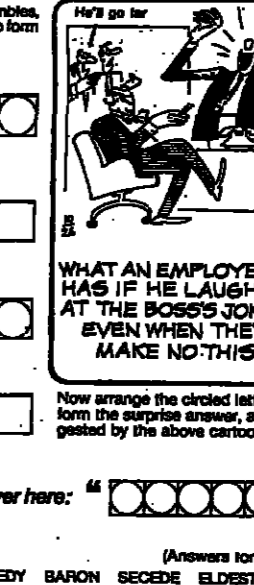
MIDDLE EAST

Table of weather forecasts for the Middle East.

WEDNESDAY'S FORECAST

Table of weather forecasts for various cities including London, Paris, and New York.

PEANUTS



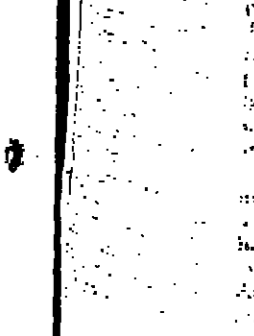
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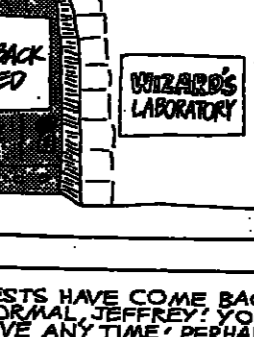
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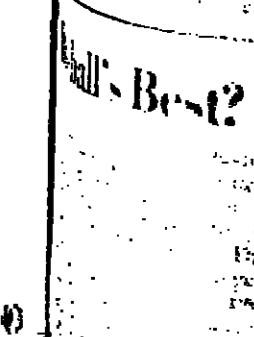
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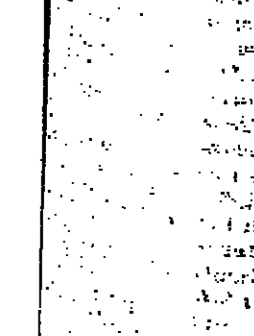


Table with crossword puzzle clues and answers, including 'WAGS CLAM BAIL', 'ELAM ROXY SALS', 'LOPE ADIT KNOTS'.

Table with crossword puzzle clues and answers, including 'TYRO ASHCAN', 'STABS UMP'S ERIE', 'IAGO FLEET LEDA'.

Table with crossword puzzle clues and answers, including 'SODA ARAFAT', 'OMAHA SHELLGAME', 'BORED TOLE ATAR'.

Table with crossword puzzle clues and answers, including 'EVILS OMAN TASS', 'YELL RENT EUSE'.

Table with crossword puzzle clues and answers, including 'TYRO ASHCAN', 'STABS UMP'S ERIE', 'IAGO FLEET LEDA'.

OBSERVER

Blue-Suede George

By Russell Baker

NEW YORK — Keeping ahead of the news means never sleeping. That is what this column does: never sleeps. That is why we can bring you up to date on President Bush's White House disaster while other press, television and polling wires are reporting last week's news like stuck records.

Last week's news, of course, was Bush's landslide victory in next month's election. All right, you know Bush won. This column knows Bush won. This column also knows you're tired of reading about Bush's tremendous victory next month.

It knows you want to get on with things. Want to get it over with. What's the point of life if you don't get it over with?

This column also knows that you are sick and tired of reading how brilliant the Bush strategy was. Of reading about the team of geniuses who took Bush the White House.

Not since the press, television and polling swarms swooned over President Ford's skill at making his own breakfast toast has the public become so disgusted so quickly with fawning news coverage of a new president.

What did it was the Bush family bash at the White House, which ended with the grandchildren falling asleep in the Lincoln bed after the president, urged by Image Master Roger Ailes to do a Lovable Old Grand Old Father number on the media, crooned the little ones off to Dreamland with gentle choruses of "Boola Boola."

As President Ford took the fatal step when he pardoned Richard Nixon, so President Bush invited ruin when he appointed a blue-ribbon commission to determine whether Elvis was really dead.

His handlers knew it was a disaster the instant they read it in the papers. "You don't appoint a blue-ribbon commission when you're dealing with Elvis," several image masters said simultaneously. "For Elvis, you appoint a blue-suede commission. With plenty of sequins."

In his memoir, "Bushwhacked by the King," former Vice President Quayle denied that the commission was his idea, as former President Bush asserted in his own memoir.

"One day," wrote Quayle, "the president called me up and said he'd heard I tried every year to read Plato's Republic, and asked if I'd succeeded yet, which I hadn't. 'Why do you ask?' said I.

"Well, he had heard it was a story about politics, and he wondered if Plato had come up with any good ideas we might use to get everybody's mind off the fact that the United States was becoming a wholly owned subsidiary of Japan. That was when Mitsubishi had just acquired Texas and Florida, and everybody was saying we ought to do something, and all the president could do was sound very macho while saying, 'Read my lips.'"

"So I said, had he heard a lot of people thought Elvis was alive, because if he was we could sure get everybody's mind off the Japanese for several days by having Elvis lead a Joint Session of Congress in the Pledge of Allegiance. Next thing I knew, we had a blue-ribbon commission."

By the middle of February, the honeymoon was over for Bush, and the Japanese acquisition of Chicago, Denver and New Orleans, plus the National Football League, had very little to do with it. It was the blue-ribbon Elvis commission that did the job. Millions who believed Elvis was still alive were angered by evidence that President Bush thought he might be dead.

A firestorm of debate between post-mortem scientists raged in the grocery press. Would a singer brought back from the grave be too depressed by his experience over to sing well again?

If so, why weren't the Japanese doing it? President Bush tried to point out that the commission's job was not to revive Elvis, but only to see if he was alive and hiding somewhere. Poor Bush. As he had discovered while persuading the public that Dukakis did not love the flag, once people get hold of a silly idea, they get angrier and angrier at anybody who tries to dislodge it.

What finished off the Bush presidency was news that Japan had acquired all rights to Elvis Presley, including sole possession of some if he proved to be living.

Now let's get the 1992 campaign underway. And over with.

NEW YORK TIMES SERVICE

Another Tender Story By an Unusual Couple

By Charles Trueheart

HANOVER, New Hampshire — Before there was Louise Erdrich and before there was Michael Dorris, estimable writers each, there was Milou North. Under that synthetic birth, seven years ago, Erdrich and Dorris collaborated on a series of domestic tales, and a popular British magazine called Woman could not get enough of them.

"I got to the point where on every cover of the magazine they had 'Another Tender Story by Milou North,'" Dorris says. "They're not 'tenderly deep,'" Dorris says of these stories, "but they're uplifting."

He loves telling this, his wife loves to listen. "It's always about a young woman in stress who resolves her issue affirmatively," he goes on. "Very definitely affirmatively," Erdrich agrees. "Any sort of domestic crisis that came up we would make into 'another tender story,'" he says. "We found a crack in the bathroom wall one day and we couldn't afford to have it fixed, so we had Michael and Louise join in the refrain: 'Another Tender Story by Milou North!'"

Sitting down to lunch at a restaurant in Hanover (they live 30 miles down the road, in the village of Cornish, with their five children), Dorris and Erdrich talk about Milou North with affection, and even some respect. For Erdrich and Dorris, authorship is a dimension of matrimony. They can be married to their muses without risk of infidelity.

Dorris is 43, a chipper fellow with a Wally Cleaver grin and a Ronald Reagan pompadour, notwithstanding which he is a handsome man. He adopted their three oldest children during the 1970s, when he was a bachelor. Erdrich is 34, dark-eyed and soft-skinned, more wholesome-looking than her jacket photographs suggest. Even before they have unfolded their nuptials, Michael announces that Louise is expecting another baby.

All this, and five books between them too. Erdrich is the better-known writer. When "Love Medicine," her first novel, was published four years ago, the critics swooned at their discovery, and her literary elders lined up to blurb their respect. "The most interesting new American novelist to have appeared in years," observed Philip Roth. When "The Best Guest" appeared in 1986, Gail Godwin called Erdrich "a sorceress with

about her. "We give each other presents of experience," she says.

Dartmouth College gave them the first present, of each other. "There's no place else we would have met," says Dorris, and this is not as peculiar a notion as it may seem. Dartmouth was founded in 1769 "for the education of Indian youth and others," according to the college charter, but somehow by the fall of 1972 others had outnumbered Indians by tens of thousands to exactly 12.

So theirs was a meeting made in penance: Dorris, an anthropologist of part-Modoc ancestry, was hired that year to run the new Native American studies department. And Erdrich, whose mother is a member of the Turtle Mountain Band of Chippewas, was in the first wave of Indian students recruited to fulfill the terms of the Dartmouth charter.

The difference in their years mattered then. "I mean, Michael was a professor," she laughs. "And I didn't have much to do with him. He was in a different world."

She graduated, and he stayed in Cornish. She worked as a waitress, waved a flag on a construction crew in North Dakota and wrote textbooks for an educational publishing company. She attended the Johns Hopkins University's graduate writing program in poetry. They wrote letters to each other, a "cagey correspondence" platonic on its surface but full of veiled references, "Louise begins, about 'breaking up with former relationships,'" Michael finishes.

They returned to Hanover on the same day in 1980, "not knowing what to expect," Michael says. They were married in 1981.

A further fusion, a merger of their styles and identities, is in the works. Until now — since Milou North was retired — each has had "the final say" (Louise's term) over the books that carry their names. Next they will collaborate on a novel about Christopher Columbus, scheduled to appear in 1992. The discovery of the New World by the Europeans will be celebrated that year, and other



The Michael Dorris/Louise Erdrich marriage-fiction team.

novelists may glom on to the theme. Michael and Louise had the brainstorm for the book, tentatively titled "The Crown of Columbus," as they drove across Saskatchewan three summers ago. "We started talking about it as we left Alberta and when we got to Manitoba we were finished. It took us about a day," Dorris remembers. "That was, in fact, the famous five-page outline that we turned in."

The outline is famous for having brought them \$1.5 million from Harper & Row, the winning publisher in a brief but intense round of bidding. Before they can devote their full attention to "The Crown of Columbus," Michael is finishing "The Broken Cord," his nonfiction book on fetal alcohol syndrome (FAS) — the lasting, crippling damage, to brain and body, that drinking mothers inflict on their unborn.

On one level, the illness has resonance to them because it is a scourge on Indian reservations. But the affliction is by no means particular to American Indians. The new wisdom about fetal alcohol syndrome, they point out, is far from universal. What's more, it is im-

PEOPLE

Kasparov Leading 2-1 In World Chess Series

The Russian world champion, Gari Kasparov, won the third world cup chess tournament in Reykjavik and received a \$70,000 prize. The victory places him in the lead in the six-tournament series with two points ahead of the former Russian world champion, Anatoli Karpov, who did not play. Kasparov won the first tournament and Karpov the second. The next three matches will be held in Spain, the Netherlands and Sweden, ending next year.

The Art Institute of Chicago plans to return an ancient stone carving that Thailand has said was stolen more than 20 years ago from the Phnom Rung temple. The museum says it will return it in exchange for a Thai artifact "of equal artistic merit" to be donated by the Chicago-based Elizabeth T. Cheney Foundation, a philanthropic group. The museum spokeswoman, Virginia Voefel, said Thai officials had been told of the decision, but she did not think an official response had been received by the institute.

The Sydney Symphony and Dame Joan Sutherland presented a concert for this year's United Nations Day, a celebration that commemorates its birth on Oct. 24, 1945. Since the Sydney Symphony, Australia's oldest musical institution, is now making its first U.S. tour as part of Australia's bicentennial celebrations, it was a name that it should appear at the celebration. Javier Pérez de Cuellar, the UN secretary-general, greeted the audience with a statement of optimism about the world political climate.

The American architect Richard Meyer has been awarded the Royal Institute of British Architects' gold medal for his contribution to world architecture. Meyer, 54, designed the new Getty Museum in California, recently finished a museum project in Frankfurt and has won a bid for the construction of The Hague's new city hall.

Adele Simmons, 47, president of Hampshire College in Amherst, Massachusetts, has been selected to head the MacArthur Foundation, one of the largest philanthropic organizations in the United States.

INTERNATIONAL BUSINESS MESSAGE CENTER
Appears on page 12

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